

## Table of Contents

Title	Page
Administrator for the Courts, Office of the	7
Agriculture, Department of	69
Attorney General, Office of the	15
Auditor, Office of the State	13
Bond Retirement & Interest	102
Central Washington University	92
Columbia River Gorge Commission	59
Community & Technical College System	96
Community, Trade, & Economic Development, Department of	17
Conservation Commission, State	65
Convention and Trade Center, State	28
Corrections, Department of	36
Court of Appeals	5
Criminal Justice Training Commission, Washington State	31
DSHS - Administration & Supporting Services	55
DSHS - Alcohol & Substance Abuse	51
DSHS - Child Support Services	56
DSHS - Children & Family Services	39
DSHS - Developmental Disabilities	45
DSHS - Economic Services	50
DSHS - Information System Services	58
DSHS - Juvenile Rehabilitation	41
DSHS - Long-Term Care Services	48
DSHS - Medical Assistance Payments	52
DSHS - Mental Health	43
DSHS - Payments to Other Agencies	57
DSHS - Vocational Rehabilitation	54
Eastern Washington University	91
Ecology, Department of	60
Employee Compensation Adjustments, State	105
Employment Security, Department of	38
Financial Institutions, Department of	16
Financial Management, Office of	19
Fish and Wildlife, Department of	66
Governor, Office of the	9
Health Care Authority, Washington State	29
Health, Department of	33
Higher Education Coordinating Board	88
Historical Society, Washington State	101
House of Representatives	1
Human Rights Commission	30
Information Services, Department of	23
Insurance Commissioner, Office of	24
Joint Center for Higher Education	94
Joint Legislative Audit & Review Committee	3
Judicial Conduct, Commission on	6
Labor & Industries, Department of	32
Legislative Evaluation & Accountability Program Committee	4

## Table of Contents

Title	Page
Licensing, Department of	72
Liquor Control Board, Washington State	25
Military Department	27
Natural Resources, Department of	68
Outdoor Recreation, Interagency Committee for	64
Parks and Recreation Commission, State	63
Personnel, Department of	20
Pollution Liability Insurance Program, Washington	62
Public Defense, Office of	8
Public Disclosure Commission	10
Public Schools - Block Grants	86
Public Schools - Compensation Adjustments	87
Public Schools - Education of Highly Capable Students	82
Public Schools - Education Reform	83
Public Schools - General Apportionment	74
Public Schools - Institutional Education	81
Public Schools - Learning Assistance Program (LAP)	85
Public Schools - Levy Equalization	80
Public Schools - OSPI & Statewide Programs	73
Public Schools - Pupil Transportation	76
Public Schools - School Food Services	77
Public Schools - Special Education	78
Public Schools - Traffic Safety Education	79
Public Schools - Transitional Bilingual Instruction	84
Retirement Systems, Department of	21
Revenue, Department of	22
Salaries for Elected Officials, Citizens' Commission on	14
School for the Blind, State	98
School for the Deaf, State	99
Secretary of State, Office of the	11
Senate	2
Special Appropriations to the Governor	103
Spokane Intercollegiate Research & Tech Inst	97
State Library	100
State Patrol, Washington	70
Sundry Claims	104
The Evergreen State College	93
Treasurer, Office of the State	12
University of Washington	89
Utilities and Transportation Commission	26
Veterans' Affairs, Department of	35
Washington State University	90
Western Washington University	95

**1997-99 Revised Budget (1998 Supp)**

Wednesday, Mar. 11, 1998

**House of Representatives**

7:07 pm

(Dollars in Thousands)

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	376.0	49,853	49,853
<b>1998 Supplemental Changes:</b>			
1. Concurrent Actuarial Audit	0.0	0	25
2. K-20 Technology Consultant	0.0	150	150
3. TMDL Review	0.0	125	125
Total Supplemental Items	0.0	275	300
1997-99 Revised Appropriations	376.0	50,128	50,153

*Comments:*

**1. Concurrent Actuarial Audit** - Funding is provided to implement SHB 2544 (funding the state retirement systems). An actuarial consultant will be retained to perform an audit of the pension contribution rates as they are being developed. (Department of Retirement Systems Expense Account)

**2. K-20 Technology Consultant** - One-time funding is provided for technical and cost analysis of issues related to the K-20 state-wide technology system. Analysis will include evaluation of system implementation progress, future system costs, emerging technologies and agency K-20 requests for the 1999-2001 budget.

**3. TMDL Review** - Funding is provided for a review of the memorandum of agreement signed between the United States environmental protection agency and the department of ecology. The agreement requires the department to conduct total maximum daily loads (TMDL) on polluted water bodies as defined by the federal clean water act. The review may include but is not limited to, the department's program for implementing the settlement, an examination of the decisions that affect how water quality problems are defined, the causes of those problems, and the means by which solutions to these problems are to be developed and implemented.

**1997-99 Revised Budget (1998 Supp)**  
**Senate**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	297.6	39,995	39,995
<b>1998 Supplemental Changes:</b>			
1. Concurrent Actuarial Audit	0.0	0	25
2. TMDL Review	0.0	125	125
3. Long-term care performance review	0.0	75	75
Total Supplemental Items	0.0	200	225
1997-99 Revised Appropriations	297.6	40,195	40,220

*Comments:*

**1. Concurrent Actuarial Audit** - Funding is provided to implement SHB 2544 (funding the state retirement systems). An actuarial consultant will be retained to perform an audit of the pension contribution rates as they are being developed. (Department of Retirement Systems Expense Account)

**2. TMDL Review** - Funding is provided for a review of the memorandum of agreement signed between the United States environmental protection agency and the department of ecology. The agreement requires the department to conduct total maximum daily loads (TMDL) on polluted water bodies as defined by the federal clean water act. The review may include but is not limited to, the department's program for implementing the settlement, an examination of the decisions that affect how water quality problems are defined, the causes of those problems, and the means by which solutions to these problems are to be developed and implemented.

**3. Long-term care performance review** - One-time funding is provided for a performance review of the long-term care system, to be contracted jointly by the Legislature and the Office of Financial Management.

**1997-99 Revised Budget (1998 Supp)**  
**Jt Leg Audit & Review Committee**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	17.0	2,796	2,796
<b>1998 Supplemental Changes:</b>			
1. Management Audit of D.D.D.	0.0	75	75
2. Certificate of Need Study	0.0	50	50
3. K-12 Finance Study	0.0	340	340
Total Supplemental Items	0.0	465	465
1997-99 Revised Appropriations	17.0	3,261	3,261

*Comments:*

**1. Management Audit of D.D.D.** - Funding is provided for a management audit of the Division of Developmental Disabilities. The study will analyze and evaluate the division's current organizational structures and management practices; document and assess the impact of overlapping statutory or administrative code responsibilities; and identify and document opportunities to more efficiently and effectively serve the needs of the targeted population.

**2. Certificate of Need Study** - Funding is provided for a study of the certificate of need program for health care services. The study will analyze the effect of the state certificate of need program on the cost, quality, and availability of health care services and the impact that repeal of the program would have on the cost, quality and availability of care.

**3. K-12 Finance Study** - One-time funding is provided for a study of the state's financing of the K-12 public school system.

**1997-99 Revised Budget (1998 Supp)**  
**LEAP Committee**Wednesday, Mar. 11, 1998  
7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	12.0	2,595	2,595
<b>1998 Supplemental Changes:</b>			
1. K-12 Finance Study	0.5	150	150
Total Supplemental Items	0.5	150	150
1997-99 Revised Appropriations	12.5	2,745	2,745

*Comments:*

**1. K-12 Finance Study** - Funding is provided for support of the K-12 finance study conducted by the Joint Legislative Audit and Review Committee.

**1997-99 Revised Budget (1998 Supp)**  
**Court of Appeals**

Wednesday, Mar. 11, 1998  
7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	138.1	20,358	20,358
<b>1998 Supplemental Changes:</b>			
1. Salary Increments/Budget Shortfall	0.0	278	278
2. Building Maintenance Costs	0.0	11	11
Total Supplemental Items	0.0	289	289
1997-99 Revised Appropriations	138.1	20,647	20,647

*Comments:*

**1. Salary Increments/Budget Shortfall** - Funding is provided for the costs of periodic merit increments for non-judicial employees. While the funding provided is on-going, the decision to provide additional funding for new merit increments in future biennia will be made on a case by case basis.

**2. Building Maintenance Costs** - Beginning January 1999, funding is provided to cover the increased janitorial and utility costs associated with the expansion and remodel of the Division III building. Beginning January 1, 2001, funding is assumed to increase to 2 percent of the buildings appraised value to cover maintenance costs as well.

**1997-99 Revised Budget (1998 Supp)**  
**Commission on Judicial Conduct**Wednesday, Mar. 11, 1998  
7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	7.2	1,305	1,305
<b>1998 Supplemental Changes:</b>			
1. Judicial Conduct Proceedings	0.0	101	101
Total Supplemental Items	0.0	101	101
1997-99 Revised Appropriations	7.2	1,406	1,406

*Comments:*

**1. Judicial Conduct Proceedings -** Funding is provided for ten additional days of public hearing and three additional case appeals. In addition to the funding provided here, \$60,000 in funding was provided to the commission from the Governor's emergency fund to partially cover this increased workload.



**1997-99 Revised Budget (1998 Supp)**  
**Office of Administrator for Courts**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	321.5	25,318	72,757
<b>1998 Supplemental Changes:</b>			
1. JIS Equipment for Leg Mandates	0.0	0	1,184
2. Voters Pamphlet	0.0	175	175
3. PSEA Shortfall	0.0	0	-170
4. TASC Transfer	0.0	0	-3,255
Total Supplemental Items	0.0	175	-2,066
1997-99 Revised Appropriations	321.5	25,493	70,691

*Comments:*

**1. JIS Equipment for Leg Mandates** - Funding is provided to equip judges and commissioners so that they can access the judicial information systems. Access is necessary to implement the provisions of domestic violence legislation passed in 1995. The legislation requires that the judge check for restraining and no contact orders prior to issuing a decision on pending civil or criminal matters. (Judicial Information System)

**2. Voters Pamphlet** - Funding is provided for the production and distribution of a judicial voter pamphlet for the 1998 primary election. The voters pamphlet will be prepared by the Office of the Administrator for the Courts and will provide information about local judicial candidates and races. The pamphlet will be distributed using newspaper delivery staff.

**3. PSEA Shortfall** - Funding is reduced to reflect a shortfall in the Public Safety and Education Account (PSEA).

**4. TASC Transfer** - The Treatment Alternatives to Street Crime (TASC) program is transferred from the Office of the Administrator for the Courts to DSHS, Division of Alcohol and Substance Abuse, effective July 1, 1998. (Public Safety & Education Account)

**1997-99 Revised Budget (1998 Supp)**  
**Office of Public Defense**Wednesday, Mar. 11, 1998  
7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	5.0	0	12,187
<b>1998 Supplemental Changes:</b>			
1. PSEA Shortfall	0.0	0	-84
Total Supplemental Items	0.0	0	-84
1997-99 Revised Appropriations	5.0	0	12,103

*Comments:*

- 1. PSEA Shortfall** - Funding is reduced to reflect a shortfall in the Public Safety and Education Account (PSEA).

**1997-99 Revised Budget (1998 Supp)**  
**Office of the Governor**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	63.0	10,010	10,898
<b>1998 Supplemental Changes:</b>			
1. Children's Ombuds Staff and Travel	0.7	55	55
2. Wenatchee Investigation	0.0	23	23
3. Puget Sound Estuary Program	4.1	0	365
4. Salmon Recovery Office	2.0	500	500
Total Supplemental Items	6.8	578	943
1997-99 Revised Appropriations	69.7	10,588	11,841

*Comments:*

**1. Children's Ombuds Staff and Travel** - Funding is provided for travel costs and one support staff. Travel costs for investigations, quarterly legislative oversight committee meetings in Eastern Washington, and other family and children's activities across the state have been higher than anticipated.

**2. Wenatchee Investigation** - Funding is provided for three investigators' travel costs for eight months (five days per month) and the costs for transcribing 65 audio-taped interviews on the review of the Wenatchee child sex-abuse investigations.

**3. Puget Sound Estuary Program** - Federal funding is provided through an Environmental Protection Agency grant for the Puget Sound Estuary Program, which is a program of the Puget Sound Water Quality Action Team. Funding does not commit the state to future expenditures in a later period. (General Fund--Federal)

**4. Salmon Recovery Office** - Funding is provided to establish a Salmon Recovery Office in the Office of the Governor in accordance with SHB 2496 (Salmon Recovery Plan). The Salmon Recovery Office will submit a state of the salmon report and act as a liaison to local governments, the United States Congress, federally recognized tribes, and federal executive branch agencies for issues related to the state's endangered species act salmon recovery plan.

**1997-99 Revised Budget (1998 Supp)**  
**Public Disclosure Commission**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	18.7	2,663	2,663
<b>1998 Supplemental Changes:</b>			
1. Improve Public Access to Records	0.0	56	56
2. Attorney General Services	0.0	111	111
Total Supplemental Items	0.0	167	167
1997-99 Revised Appropriations	18.7	2,830	2,830

*Comments:*

**1. Improve Public Access to Records** - Funding is provided for moving the Public Disclosure Commission to a larger facility and to pay for a higher per square foot lease cost. The PDC's lease for the current facility expires in October 1998.

**2. Attorney General Services** - Funding is provided for Attorney General services for the Public Disclosure Commission's investigations of the Washington Education Association and the Building Industry Association of Washington, and other cases.

**1997-99 Revised Budget (1998 Supp)**  
**Office of the Secretary of State**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	131.9	13,956	23,712
<b>1998 Supplemental Changes:</b>			
1. Odd Year Elections State Share	0.0	-100	-100
2. Washington Quality Award Council	1.0	77	77
3. Census Block Boundary Program	0.0	86	86
4. Security Microfilm Restoration	0.0	0	280
5. Public Affairs Broadcasting	0.0	1,850	1,850
Total Supplemental Items	1.0	1,913	2,193
1997-99 Revised Appropriations	132.9	15,869	25,905

*Comments:*

**1. Odd Year Elections State Share** - By statute, the state is required to reimburse counties for a prorated share of odd-year election costs, which may be paid only from appropriations specifically provided for this purpose. This item adjusts existing funding in the Secretary of State's 1997-99 biennial budget to reflect lower billings to reimburse counties for the state's share of actual 1997 election costs.

**2. Washington Quality Award Council** - One-time funding is provided for staffing the Washington Quality Award Council for the remainder of the 1997-99 biennium.

**3. Census Block Boundary Program** - Funding is provided to continue staff support for census-related activities in anticipation of the national census in the year 2000.

**4. Security Microfilm Restoration** - Funding is provided to preserve and restore security microfilm of essential local government records. (Archives and Records - Private/Local).

**5. Public Affairs Broadcasting** - Funding is provided to continue public affairs broadcasting by TVW in FY 1999. The Secretary of State is directed to enter into a four-year contract to provide continued broadcasting of public affairs proceedings through Fiscal Year 2003.

**1997-99 Revised Budget (1998 Supp)**  
**Office of the State Treasurer**Wednesday, Mar. 11, 1998  
7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	72.5	0	11,567
<b>1998 Supplemental Changes:</b>			
1. Treasury Management System	0.0	0	815
Total Supplemental Items	0.0	0	815
1997-99 Revised Appropriations	72.5	0	12,382

*Comments:*

**1. Treasury Management System** - Funding is provided for the continued development of the treasury management system. The initial 1997-99 biennial budget includes \$450,000 to begin developing the new system. This item funds design and development during the remainder of the biennium. The treasury management system will replace existing state debt, investments, cash management, and treasury accounting systems. (State Treasurer's Service Account)

**1997-99 Revised Budget (1998 Supp)**  
**Office of the State Auditor**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	297.8	1,356	39,416
<b>1998 Supplemental Changes:</b>			
1. Whistleblower Program	2.0	0	250
2. Audit Electronic Signatures	0.0	0	75
3. Electric utility report	0.0	25	25
4. K-12 Audit Resolution Team	6.3	500	500
5. State contractor audits	1.0	0	120
Total Supplemental Items	9.3	525	970
1997-99 Revised Appropriations	307.1	1,881	40,386

*Comments:*

**1. Whistleblower Program** - Funding is provided to address an increase in the number of whistleblower cases being reported by state employees and the increased complexity of these investigations. (Auditing Services Revolving Account)

**2. Audit Electronic Signatures** - Funding is provided for compliance audits of the Secretary of State and the Department of Information Services in certifying digital signatures of private companies, local governments, and state agencies. (Auditing Services Revolving Account)

**3. Electric utility report** - Funding is provided for the implementation of E2SHB 2831 (electric utilities report). Electric utilities will provide cost studies and service quality and reliability reports to the State Auditor and the Utilities and Transportation Commission. The Auditor and the Commission will analyze and summarize the submitted studies and reports in a joint report to the Legislature by December 1, 1998.

**4. K-12 Audit Resolution Team** - Funding is provided for auditing state funds allocated to local school districts.

**5. State contractor audits** - ESHB 2881 expands the authority of the state auditor to audit nongovernment entities which contract with state agencies. The audit costs are paid by the contracting agencies. (State Auditing Services Revolving Account)

**1997-99 Revised Budget (1998 Supp)**  
**Comm Salaries for Elected Officials**Wednesday, Mar. 11, 1998  
7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	0.3	67	67
<b>1998 Supplemental Changes:</b>			
1. Unemployment Compensation	0.0	7	7
Total Supplemental Items	0.0	7	7
1997-99 Revised Appropriations	0.3	74	74

*Comments:*

**1. Unemployment Compensation** - The Commission on Salaries for Elected Officials has received bills for unemployment compensation in excess of its existing appropriation for fiscal year 1998. This additional funding will allow this agency to pay these bills and not exceed its appropriation.



**1997-99 Revised Budget (1998 Supp)**  
**Office of the Attorney General**

Wednesday, Mar. 11, 1998  
7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	991.7	7,992	139,641
<b>1998 Supplemental Changes:</b>			
1. Torts Litigation Workload	2.0	0	750
2. PSEA Shortfall	0.0	0	-9
Total Supplemental Items	2.0	0	741
1997-99 Revised Appropriations	993.7	7,992	140,382

*Comments:*

**1. Torts Litigation Workload** - This item funds two additional staff in the Torts Division that will be assigned to the Department of Social and Health Services for one year, and outside counsel costs for major cases. An increase in the number of tort lawsuits filed against the state and expanded areas of tort liability have contributed to the increased need for tort defense services. (Legal Services Revolving Account-State)

**2. PSEA Shortfall** - Funding is reduced to reflect a revenue shortfall in the Public Safety and Education Account (PSEA).

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Financial Institutions**Wednesday, Mar. 11, 1998  
7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	116.2	0	15,669
<b>1998 Supplemental Changes:</b>			
1. Unanticipated Receipt	0.0	0	37
Total Supplemental Items	0.0	0	37
1997-99 Revised Appropriations	116.2	0	15,706

*Comments:*

**1. Unanticipated Receipt** - Spending authority is provided for an unanticipated receipt from settlement of a securities enforcement action. (Securities Regulation Account)

**1997-99 Revised Budget (1998 Supp)**  
**Dept Community, Trade, Econ Dev**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	328.9	113,712	310,252
<b>1998 Supplemental Changes:</b>			
1. Transfer visitor centers to GFS	0.0	126	126
2. Washington Manufacturing Service	0.0	290	290
3. Emergency Food Assistance Program	0.0	383	383
4. Early Childhood Education Program	0.0	1,100	1,100
5. Pacific Science Center	0.0	0	2,316
6. Building Code Council	0.0	0	48
7. Clean Washington Account	0.0	0	11
8. Federal Flood Assistance	0.0	0	4,656
9. Byrne Formula Grant	0.5	0	1,750
10. Farm Worker Housing #	0.0	1,000	1,000
11. PSEA Shortfall	0.0	61	0
12. Mobile Home Relocation Assistance #	0.0	0	50
13. Coastal Erosion	0.0	275	275
14. Regulatory Reform	0.1	49	49
15. Citizen Review Panels	0.5	191	191
16. Transfer to SIRT	0.0	965	965
17. Electric Power Consumer Rights	0.0	92	92
18. Overnight Youth Shelters	0.0	120	120
19. International Trade Fairs	0.0	165	165
Total Supplemental Items	1.1	4,817	13,587
1997-99 Revised Appropriations	330.0	118,529	323,839

*Comments:*

**1. Transfer visitor centers to GFS** - Funding is transferred from the motor vehicle account to the state general fund for the visitor information centers. Certain programs and portions of programs within the Department were historically funded in the operating budget. In the 1993-95 Biennium, funding responsibility for many of these programs was transferred to the transportation budget. The operating budget assumes funding responsibility for these programs beginning in FY 99. Similar transfers occur in the State Patrol and the Office of Financial Management.

**2. Washington Manufacturing Service** - Funding is provided to add four Washington Manufacturing Service (WMS) field staff to serve Southwest Washington, Yakima and the Tri-Cities area, east King County, and one staff person to focus on the food processing sector. WMS is a non-profit organization that provides technical assistance to small manufacturers.

**3. Emergency Food Assistance Program** - Provides additional funding for food banks in response to an increasing number of clients.

**4. Early Childhood Education Program** - Provides funding for an additional 278 enrollment slots for children enrolled in the the Early Childhood Education and Assistance Program (ECEAP), for a total of 7,052 enrollment slots.

**5. Pacific Science Center** - Provides additional appropriation authority to pass through remaining grant funds from the federal Department of Housing and Urban Development to improve the Pacific Science Center's capital facilities. Of the \$2.5 million grant, \$2.3 million has not yet been appropriated. (General Fund-Federal)

**6. Building Code Council** - Provides additional appropriation authority to support the State Building Code Council at authorized staffing levels to review new editions of the national model building codes being developed for the Year 2000. (Building Code Council Account)

**7. Clean Washington Account** - Provides funding for additional assistance to firms in the recycling industry and expends the remaining balance in the Clean Washington Account. (Clean Washington Account)

**1997-99 Revised Budget (1998 Supp)**  
**Dept Community, Trade, Econ Dev**

Wednesday, Mar. 11, 1998  
7:07 pm

**8. Federal Flood Assistance** - Provides \$2.7 million in appropriation authority to spend federal Department of Housing and Urban Development (HUD) Disaster Recovery Program carryover funds from the 1995-97 Biennium to assist with high wind damage and flood repairs. An additional \$2 million in authority is provided from HUD for repair assistance related to the winter of 1997 floods and mud slides. (General Fund-Federal)

**9. Byrne Formula Grant** - The federal Byrne Formula Grant provides pass-through funding to state agencies, local governments, and nonprofit agencies for drug law enforcement, criminal justice system improvements, drug treatment programs, domestic violence legal advocacy, and youth violence prevention programs. This item provides appropriation authority to spend federal Byrne grant funding for Fiscal Year 1999 and federal carryover funds from the prior federal grant periods. (General Fund-Federal)

**10. Farm Worker Housing #** - Funding is provided for grants to develop housing for low-income temporary or migrant farm workers.

**11. PSEA Shortfall** - Funding is provided to offset a reduction in the PSEA account due to a revenue shortfall.

**12. Mobile Home Relocation Assistance #** - SB 6380 mandates a \$500 increase in the maximum amount for mobile home relocation reimbursement for double-wide units. (Mobile Home Park Relocation Fund)

**13. Coastal Erosion** - Funding is provided for grants to the City of Ocean Shores to complete economic assessments, environmental impact studies, and emergency management planning related to coastal erosion.

**14. Regulatory Reform** - Funding is provided to implement section 11 of E2SHB 2345 (regulatory reform). The bill makes several changes to the Administrative Procedures Act relating to rule making, review and notification.

**15. Citizen Review Panels** - Funding is provided for contract administration and rule development activities related to citizen review panels according to SHB2556.

**16. Transfer to SIRTI** - Funds are transferred from the Joint Center of Higher Education to operate the Spokane Intercollegiate Research and Technology Institute (SIRTI) per SSB 6655. CTED receives \$21,000 of these funds for administrative expenses. The remaining \$944,000 passes through to SIRTI to manage the institute. The non-appropriated grant and local funds (\$3.7 million) are budgeted with the institute.

**17. Electric Power Consumer Rights** - Funding is provided to implement the provisions of ESSB 6560 which include providing technical assistance to consumer-owned utilities, a report on consumer protection policies and procedures adopted by consumer-owned utilities, and a study with the Utilities and Transportation Commission on the state's electricity market.

**18. Overnight Youth Shelters** - Funding is provided for grants to the currently licensed overnight youth shelters to continue to meet DSHS licensing requirements. Funds may be used to provide staff, food, beds or facility maintenance.

**19. International Trade Fairs** - Funding for international trade fairs is provided from the general fund instead of the parimutuel tax as a result of E2SSB 6562.

**1997-99 Revised Budget (1998 Supp)**  
**Office of Financial Management**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	181.1	20,783	57,010
<b>1998 Supplemental Changes:</b>			
1. Transfer certain programs to GFS	1.0	138	138
2. BARS Accounting	0.5	74	74
3. Budget and Accounting Support	0.0	256	256
4. Unemployment Compensation	0.0	71	71
5. Fish and Wildlife Management Review	0.0	250	250
6. Robert Wood Johnson Foundation	0.1	0	190
7. Vendor contracting services	0.0	139	139
8. Long-term care performance review	0.0	75	75
Total Supplemental Items	1.6	1,003	1,193
1997-99 Revised Appropriations	182.7	21,786	58,203

*Comments:*

**1. Transfer certain programs to GFS** - Historically, a transportation budget analyst and transportation policy analyst have been funded in the operating budget, but were transferred to the transportation budget in the 1993-95 biennium. The operating budget assumes responsibility for these positions beginning in FY 1999.

**2. BARS Accounting** - Funding is provided for one analyst position to assist in revising the Budget, Accounting and Reporting System (BARS) to ensure grants are coded accurately, to minimize duplicative data requests, and to answer questions regarding how much the state is contributing to city and county expenditures.

**3. Budget and Accounting Support** - Funding is provided to adjust charges billed to agencies for Small Agency Client Services resulting from an error in billing charges. The Office of Financial Management will adjust the rates charged to agencies for these services at the beginning of the 1999-2001 biennium to reflect the correct rate.

**4. Unemployment Compensation** - Funding is provided to pay unemployment compensation claims on behalf of the Health Services Commission (\$66,000) and the Performance Partnership Council (\$5,000).

**5. Fish and Wildlife Management Review** - Funding is provided to review the Department of Fish and Wildlife's finances and management.

**6. Robert Wood Johnson Foundation** - Additional private funding is provided to carry out Basic Health Plan surveys, evaluate the effects of coordinated state purchasing and undertake a state population survey. (General Fund - Local)

**7. Vendor contracting services** - ESHB 2880 creates the task force on vendor contracting practices. The nine-member task force is charged with reviewing fee-for-service and client service contracts conducted by nonprofit contractors. One-time funding is provided to convene the task force and to provide staff assistance.

**8. Long-term care performance review** - One-time funding is provided for a performance review of the long-term care system, to be contracted jointly by the Legislature and the Office of Financial Management.

**1997-99 Revised Budget (1998 Supp)**  
**Department of Personnel**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	215.1	0	28,779
<b>1998 Supplemental Changes:</b>			
1. Investigator Training	0.5	0	100
Total Supplemental Items	0.5	0	100
1997-99 Revised Appropriations	215.6	0	28,879

*Comments:*

**1. Investigator Training** - Investigators are employed by various state agencies, including the State Patrol, the Department of Social and Health Services, Labor and Industries, the Department of Ecology, the Public Disclosure Commission, the State Auditor's Office and the Office of the Attorney General. Chapter 378, Laws of 1997 created a study group, co-chaired by the Attorney General and the Chief of the Washington State Patrol, to develop mandatory training, policies and procedures for state investigators. Funding is provided for an Investigative Training Coordinator to coordinate the training needs among agencies, develop a curriculum, identify trainers and ensure that training is provided, in support of the recommendations of the study group. (Personnel Services Revolving Fund)

**1997-99 Revised Budget (1998 Supp)**  
**Department of Retirement Systems**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	242.4	0	34,732
<b>1998 Supplemental Changes:</b>			
1. Corrected Auditor's Billing	0.0	0	71
2. Consolidate Staff	3.5	0	2,761
3. Delay Imaging Implementation	0.0	0	-846
4. Plan I Gain Sharing (HB 2491)	0.3	0	118
5. SERS (SSB 6306)	2.9	0	920
6. \$150,000 Death Benefit (SB 6305)	0.0	0	42
Total Supplemental Items	6.7	0	3,066
1997-99 Revised Appropriations	249.1	0	37,798

*Comments:*

**1. Corrected Auditor's Billing** - Funding is provided to pay the State Auditor to audit the Department of Retirement Systems statewide audit and the agency's Comprehensive Annual Financial Report. This funding to pay the State Auditor was omitted from the 1997-99 biennial budget. (Department of Retirement Systems Expense Account)

**2. Consolidate Staff** - Due to an impending rent increase in the agency's current building, the agency is funded to move to more cost effective space if lease negotiations for the current building are not successful. These costs are one-time. (Department of Retirement Systems Expense Account)

**3. Delay Imaging Implementation** - Implementation of the Imaging Project will be deferred if the agency must move to another space. (Department of Retirement Systems Expense Account)

**4. Plan I Gain Sharing (HB 2491)** - Funding is provided for the one-time administrative costs of implementing HB 2491 (gain sharing for PERS and TRS Plan I). (Department of Retirement Systems Expense Account)

**5. SERS (SSB 6306)** - Funding is provided to implement SSB 6306, which creates the Washington School Employees' Retirement System Plan II and Plan III. (Department of Retirement Systems Expense Account)

**6. \$150,000 Death Benefit (SB 6305)** - Funding is provided to implement ESB 6305, this bill provides a \$150,000 death benefit for general authority police at ports and universities. (Department of Retirement Systems Expense Account)

**1997-99 Revised Budget (1998 Supp)**  
**Department of Revenue**

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	1,025.3	130,353	138,459
<b>1998 Supplemental Changes:</b>			
1. Retail Study	0.0	60	60
2. Tax Legislation Implementation	0.5	104	104
3. Regulatory Reform	0.0	50	50
4. Enhanced 911 Wireless Study	0.0	0	100
5. Senior Citizen Tax Deferral	0.0	89	89
Total Supplemental Items	0.5	303	403
1997-99 Revised Appropriations	1,025.8	130,656	138,862

*Comments:*

**1. Retail Study** - Funding is provided for a study of the costs incurred by retailers in collecting and remitting state and local sales taxes. The department will submit a report to the House of Representatives and the Senate by December 31, 1998.

**3. Regulatory Reform** - Funding is provided to implement E2SHB 2345 (regulatory reform). The bill makes several changes to the Administrative Procedures Act relating to rule making, review and notification.

**4. Enhanced 911 Wireless Study** - Funding is provided for an enhanced 911 study. The study group shall present its findings and recommendations to the governor and the appropriate committees of the legislature no later than December 31, 1998. (Enhanced 911 Account)

**5. Senior Citizen Tax Deferral** - Funding is provided for implementation of SSB 6321/ESSB 6533 (Senior Citizen Tax Deferral). Senior citizens and persons who are retired from regular employment because of physical disability are eligible for property tax exemption based on disposable household income. The state reimburses local governments for the deferred local property taxes. SSB 6321 and ESSB 6533 broaden eligibility by exempting health care insurance from disposable household income, increasing the parcel size limit and increasing the disposable household income exemption amounts.



**1997-99 Revised Budget (1998 Supp)**  
**Department of Information Services**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	428.6	0	226,333
<b>1998 Supplemental Changes:</b>			
1. K-20 Technology Network	0.0	0	6,900
Total Supplemental Items	0.0	0	6,900
1997-99 Revised Appropriations	428.6	0	233,233

*Comments:*

**1. K-20 Technology Network** - Funding is provided in fiscal year 1999 to the Education Technology Revolving Fund for K-20 operating expenses including transport, network operations, and maintenance in accordance with the funding model approved by the Telecommunications Oversight and Policy Committee (TOPC). This appropriation allows the K-20 technology account to be used for completing Phase II network build-out in accordance with the prioritized Phase II development schedule approved by the TOPC. (Education Savings Account)

**1997-99 Revised Budget (1998 Supp)**  
**Office of Insurance Commissioner**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	162.9	0	22,387
<b>1998 Supplemental Changes:</b>			
1. ESHB 2439 - Cooper Jones Act	0.0	0	100
2. Regulatory Reform	0.0	0	50
Total Supplemental Items	0.0	0	150
1997-99 Revised Appropriations	162.9	0	22,537

*Comments:*

**1. ESHB 2439 - Cooper Jones Act** - Funding is provided for allocation to the Traffic Safety Commission to implement a program of traffic safety education to promote bicycle and pedestrian safety, as provided in the Cooper Jones Act, ESHB 2439. (Insurance Commissioner's Regulatory Account)

**2. Regulatory Reform** - Funding is provided to implement E2SHB 2345 (regulatory reform). The bill makes several changes to the Administrative Procedures Act relating to rule making, review and notification.

**1997-99 Revised Budget (1998 Supp)**  
**WA State Liquor Control Board**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	957.7	2,845	134,155
<b>1998 Supplemental Changes:</b>			
1. Increase Funding for Commissions	0.0	0	944
2. Cigarette Tax Enforcement	0.0	52	52
3. Credit Cards in Liquor Agencies #	0.8	0	272
Total Supplemental Items	0.8	52	1,268
1997-99 Revised Appropriations	958.4	2,897	135,423

*Comments:*

**1. Increase Funding for Commissions** - Funding is provided for an increase in vendor commissions due to a growth in liquor sales. The increase reflects a larger sales volume rather than an increased commission rate for agency vendors. (Liquor Revolving Account)

**2. Cigarette Tax Enforcement** - Funding is provided for equipment costs associated with cigarette tax enforcement.

**3. Credit Cards in Liquor Agencies #** - Funding is provided for the costs associated with allowing the use of credit cards in liquor agency stores pursuant to SSB 6253 (liquor vendors/credit sales). (Liquor Revolving Account)

**1997-99 Revised Budget (1998 Supp)**  
**Utilities and Transportation Comm**

Wednesday, Mar. 11, 1998  
7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	156.1	0	24,605
<b>1998 Supplemental Changes:</b>			
1. Electrical Consumer Protection	0.0	0	133
2. Universal Telecommunications	0.0	0	308
Total Supplemental Items	0.0	0	441
1997-99 Revised Appropriations	156.1	0	25,046

*Comments:*

**1. Electrical Consumer Protection** - Spending authority is provided to implement the provisions of ESSB 6560, which include a joint study with the Department of Community, Trade and Economic Development on the state's electricity market. (Public Service Revolving Fund)

**2. Universal Telecommunications** - Spending authority is provided to plan and prepare to implement a new universal service program pursuant to ESSB 6622. (Public Service Revolving Fund)

**1997-99 Revised Budget (1998 Supp)**  
**Military Department**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	200.6	16,305	200,035
<b>1998 Supplemental Changes:</b>			
1. Pend Oreille County Flood	0.0	9	25
2. Emergency Worker Claims	0.0	108	108
3. Fire Mobilization Reimbursement	0.0	356	1,010
4. Relocation Costs	0.0	69	69
5. Accelerated Disaster Response	0.0	1,145	17,378
Total Supplemental Items	0.0	1,687	18,590
1997-99 Revised Appropriations	200.6	17,992	218,625

*Comments:*

**1. Pend Oreille County Flood** - Funding is provided for assistance to individuals, families and small businesses for disaster recovery related to the 1997 Pend Oreille County flood. The Federal Emergency Management Agency contributes 75 percent of assistance to individuals and the state is responsible for the remaining 25 percent. General Fund-State dollars are appropriated to the Disaster Response Account. (General Fund-State, Disaster Response Account-State, Disaster Response Account-Federal)

**2. Emergency Worker Claims** - Funding is provided for emergency worker claims pursuant to chapter 38.52 RCW (Emergency Management) . These claims are for a one-time property loss claim of \$36,000 in fiscal year 1998 and a recurring death annuity of \$36,000 in fiscal year 1998 and fiscal year 1999.

**3. Fire Mobilization Reimbursement** - Funding is provided to reimburse local jurisdictions for the state share of four fire mobilizations in the summer of 1997. The State Fire Resource Mobilization Plan specifies conditions under which the state deploys resources during major fire events and reimburses local jurisdictions for their costs. The General Fund-State appropriation is deposited into the state Disaster Response Account. (General Fund-State, Disaster Response Account-State, Disaster Response Account-Federal)

**4. Relocation Costs** - Construction of a new Emergency Operation Center will be completed in the spring of 1998. Funding is provided for an upgraded telephone system for the new facility, operating costs for phone service, and moving costs. Adjustments also are made to remove lease costs for the old facility and to fund operating and maintenance costs of the new facility.

**5. Accelerated Disaster Response** - Funding is provided to continue the accelerated pace of disaster recovery reimbursements. The Emergency Management Division has made reimbursements to individuals, small businesses and local governments at a more rapid rate than originally anticipated. To continue the accelerated pace of disaster reimbursements, General Fund-State dollars are appropriated to the Disaster Response Account for expenses originally anticipated for the 1999-2001 biennium. These costs represent expedited disaster recovery projects; it is assumed that estimated expenditures on current disasters in the 1999-2001 biennium will be reduced by an equal amount. (General Fund-State, Disaster Response Account-State, Disaster Response Account-Federal)

**1997-99 Revised Budget (1998 Supp)**  
**State Convention and Trade Center**Wednesday, Mar. 11, 1998  
7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	129.0	0	27,175
<b>1998 Supplemental Changes:</b>			
1. Convention and Visitors Bureau	0.0	0	219
Total Supplemental Items	0.0	0	219
1997-99 Revised Appropriations	129.0	0	27,394

*Comments:*

**1. Convention and Visitors Bureau** - Funding is provided to increase the agency's payment to the Seattle-King County Convention and Visitors Bureau due to higher than expected revenues. (State Convention and Trade Center Operations Account)

**1997-99 Revised Budget (1998 Supp)**  
**WA State Health Care Authority**

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	302.9	12,633	557,439
<b>1998 Supplemental Changes:</b>			
1. Basic Health Plan Enrollment	0.0	0	14,316
2. BHP Enrollee Recertification	3.0	0	330
3. Medical Savings Accounts (HB 1805)	-0.8	0	-150
4. Retiree Lawsuit Settlement	0.7	0	250
Total Supplemental Items	2.9	0	14,746
1997-99 Revised Appropriations	305.8	12,633	572,185

*Comments:*

**1. Basic Health Plan Enrollment** - Additional Health Services Account funding totalling \$11 million is provided to increase subsidized Basic Health Plan enrollment to 137,200 by July 1998. This is the enrollment level anticipated in the original biennial appropriation, but was not attained because: (1) the 1998 premium rates negotiated with health plans increased by 12.3 percent over the 1997 level, rather than by 8 percent as budgeted; (2) savings from financial sponsors are less than budgeted; and (3) additional benchmark plans were needed in counties without sufficient access to the statewide benchmark plans. (Other Funds: Health Services Account)

**2. BHP Enrollee Recertification** - Funding is provided to increase the Basic Health Plan's ability to verify that enrollees continue to be eligible for the level of subsidy they are receiving. Eligibility verification efforts are also to be enhanced through (1) electronic matching with wage data, which will permit better targeting of the accounts to be reviewed; and (2) through new sanctions for failure to report income changes accurately and on time. Legislation providing for such sanctions is currently under consideration by the Legislature. (Other Funds: Health Services Account)

**3. Medical Savings Accounts (HB 1805)** - The original biennial appropriation included funds to implement HB 1805. Since the bill was not enacted, these start-up funds are not needed. (Other Funds: Health Services Account).

**4. Retiree Lawsuit Settlement** - One-time funding is provided to process claims and payments in accordance with the settlement in Retired State Employees v. State of Washington. (Health Care Authority Administrative Fund)

**1997-99 Revised Budget (1998 Supp)**  
**Human Rights Commission**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	44.4	4,055	5,758
<b>1998 Supplemental Changes:</b>			
1. Caseload and Processing Time	4.0	432	432
2. Regulatory Reform	0.0	70	70
Total Supplemental Items	4.0	502	502
1997-99 Revised Appropriations	48.4	4,557	6,260

*Comments:*

**1. Caseload and Processing Time** - Funding is provided for eight FTE staff in fiscal year 1999 to eliminate the current backlog of cases by January 1, 1999 and to reduce the case processing time.

**2. Regulatory Reform** - Funding is provided to implement E2SHB 2345 (regulatory reform). The bill makes several changes to the Administrative Procedures Act relating to rule making, review and notification.



**1997-99 Revised Budget (1998 Supp)**  
**Criminal Justice Training Comm**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	30.1	0	13,918
<b>1998 Supplemental Changes:</b>			
1. Information Technology Improvements	0.0	225	225
2. Lacey Office Rent Increase	0.0	40	40
3. PSEA Shortfall	0.0	0	-93
4. Incident Based Reporting	0.0	35	35
Total Supplemental Items	0.0	300	207
1997-99 Revised Appropriations	30.1	300	14,125

*Comments:*

**1. Information Technology Improvements** - Funding is provided to update and maintain the technology infrastructure supporting the Criminal Justice Training Commission (CJTC). CJTC will purchase computer hardware and software to provide network access and current technology to all staff and instructors. In addition, the registration and student tracking software will be rewritten using currently supported software to enable on-line registration from field sites and provide the field with limited access to training records and schedules.

**2. Lacey Office Rent Increase** - Funding is provided for increased lease obligations resulting from the relocation of the Lacey headquarters. The funding will allow the Criminal Justice Training Commission to relocate their Lacey office from a portable building at Saint Martin's College to a leased facility in the Olympia area.

**3. PSEA Shortfall** - Funding is reduced to reflect a shortfall in the Public Safety and Education Account (PSEA).

**4. Incident Based Reporting** - Funding is provided for costs associated with the implementation of incident based crime reporting.

**1997-99 Revised Budget (1998 Supp)**  
**Department of Labor and Industries**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	2,661.3	13,653	380,581
<b>1998 Supplemental Changes:</b>			
1. Claims Processing Timeliness	12.0	0	1,372
2. Update Document Imaging	0.0	0	990
3. OSHA Federal Computer Requirements	0.8	0	464
4. New Federal Coding Requirements	0.0	0	560
5. Contractor Compliance Improvements	0.5	180	180
6. Regulatory Reform	0.0	41	254
Total Supplemental Items	13.3	221	3,820
1997-99 Revised Appropriations	2,674.6	13,874	384,401

*Comments:*

**1. Claims Processing Timeliness** - Additional funding and staff are provided to manage worker compensation claims. (Accident and Medical Aid Accounts-State)

**2. Update Document Imaging** - Funding is provided to replace 665 imaging monitors and video boards to be compatible with the new upgrade version of the document imaging system approved by the 1997 Legislature. (Accident and Medical Aid Accounts-State)

**3. OSHA Federal Computer Requirements** - Funding is provided to install a new Integrated Management Information System, and to rewrite interfaces to Occupational Safety and Health Administration (OSHA) and Washington Industrial Safety and Health Act (WISHA) systems. This allows communication with the federal agency and supports the agency's worker safety and health activities. Supplemental funds will allow the agency to maintain an integrated federal - state system. (Accident and Medical Aid Accounts-State)

**4. New Federal Coding Requirements** - Funding is provided to allow the agency to adopt the North American Industry Classification System (NAICS) industry coding structure and the 2000 Census codes for use in coding Labor and Industries employer and claimant data. Also, existing systems will be modified to accept six-digit codes for both industry and occupation and will convert existing data. (Accident and Medical Aid Accounts-State)

**5. Contractor Compliance Improvements** - Funding is provided for the implementation of Chapter 314, Laws of 1997 (ESHB 1903), which requires the department to monitor, track, and report requirements of the contractor registration law.

**6. Regulatory Reform** - Funding is provided to implement E2SHB 2345 (regulatory reform). The bill makes several changes to the Administrative Procedures Act relating to rule making, review and notification.

**1997-99 Revised Budget (1998 Supp)**  
**Department of Health**

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	1,149.2	128,737	504,161
<b>1998 Supplemental Changes:</b>			
1. State Epidemiology & Lab Capacity	2.2	0	216
2. Acute and Home Care	4.4	0	508
3. Medical Impaired Provider	0.0	0	-730
4. Boarding Homes	-9.8	-263	-1,544
5. Immunization	1.5	0	171
6. Diabetes Control Program	0.5	0	416
7. Abstinence Education	0.9	0	593
8. WIC Information Management System	4.0	0	0
9. Information Network/Public Health	3.0	0	1,125
10. Hanford Medical Monitoring	1.3	0	250
11. Laboratory Quality Assurance	0.4	0	95
12. Water Reuse Program	1.1	129	129
13. Child Death Review	0.0	0	-350
14. Temporary Worker Housing #	0.0	60	60
15. Replace Health Svcs Acct with GF-S	0.0	6,359	0
16. HCFA Certification	2.7	0	499
17. Hepatitis A Vaccination Program	0.0	300	300
18. Regulatory Reform	0.5	37	40
19. Chemical Dependency Certification	1.4	0	214
20. Cervical & Breast Cancer Screening	0.0	1,000	1,000
Total Supplemental Items	14.1	7,622	2,992
1997-99 Revised Appropriations	1,163.2	136,359	507,153

*Comments:*

**1. State Epidemiology & Lab Capacity** - An additional federal grant is available to improve the state's infectious disease surveillance system. The grant is time limited and expected to expire in 1999. (General Fund-Federal)

**2. Acute and Home Care** - More complaints of a complex and serious nature concerning the care delivered by operators of acute and home care organizations have been reported that require immediate investigation. Additional quality assurance staff may be hired to meet this demand, and the department is authorized to raise acute and home care license fees only to the extent necessary to cover this expense. (General Fund-Private/Local)

**3. Medical Impaired Provider** - A \$25 surcharge is placed on physicians' license renewals to fund the Medical Impaired Provider Program (IPP). This program is for the treatment of physicians whose practice is impaired by the use of alcohol or other drugs. 2SHB 1618 extends the \$25 surcharge and IPP program benefits to physician assistants. Further, it creates a non-appropriated account in the custody of the state treasurer for receipts. This item corrects the appropriation authority originally granted to the department for the 1997-99 biennium to reflect this new deposit policy. (Health Professions Account)

**4. Boarding Homes** - EHB 2410 transfers responsibility for this regulatory function from the Health Department to the Long Term Care Services Program at the Department of Social & Health Services effective April 1, 1998. (General Fund-State, General Fund-Private/Local)

**5. Immunization** - An additional federal grant is available to raise immunization rates among children and senior citizens. Activities will be carried out to only the extent federal support continues to be available. (General Fund-Federal)

**6. Diabetes Control Program** - An additional federal grant is available for diabetes education and treatment. Activities will be carried out only to the extent federal support continues to be available. (General Fund-Federal)

**7. Abstinence Education** - This item corrects the original 1997-99 operating budget to reflect the full federal grant award available to Washington State for abstinence education this biennium. (General Fund-Federal)

**1997-99 Revised Budget (1998 Supp)**  
**Department of Health**

**8. WIC Information Management System** - This budget assumes the department will use available federal funds to hire an additional 8.0 FTE staff to operate the Women's Infants and Children (WIC) Information Management System.

**9. Information Network/Public Health** - An additional federal grant is available to upgrade the state's public health computer information network. Any new systems developed will be maintained with existing departmental resources. (General Fund-Federal)

**10. Hanford Medical Monitoring** - The states of Washington, Idaho and Oregon will join efforts to monitor persons exposed to radiation from Hanford between 1945 and 1951 for thyroid disease. This study is federally funded and the department's participation includes outreach activities and health care provider education. (General Fund-Federal)

**11. Laboratory Quality Assurance** - The department will join with the Health Care Financing Administration to identify fraudulent, duplicative billings from medical testing laboratory providers and will explore methods of controlling fraud. If successful, this federally funded study could help reduce the direct cost of health care for patients and third party payers. (General Fund-Federal)

**12. Water Reuse Program** - The department participates in the development of reclaimed water standards providing public health assurances and technical assistance for water reclamation projects and facilities around the state. This item provides funding to support salmon recovery activities. (General Fund-State)

**13. Child Death Review** - The original 1997-99 biennial budget appropriated \$1 million from the Death Investigation Account for child death reviews. This item transfers \$350,000 of that sum to the State Toxicology Lab at the University of Washington for its supporting activities. (Death Investigations Account)

**14. Temporary Worker Housing #** - Funding is provided for rule development costs and a fee study necessary to implement 2SSB 6168. (General Fund-State)

**15. Replace Health Svcs Acct with GF-S** - FY 1999 Health Service Account funds are replaced with state general funds. This action is taken to meet the supplemental budget requirements of the state's Basic Health Care Plan. (General Fund-State, Health Services Account)

**16. HCFA Certification** - The federal Health Care Finance Authority (HCFA) contracts with the department to inspect and certify a health care facility as eligible for Medicare reimbursement. Provisions of the federal Balanced Budget Act 1997 changed the nature of these specialized inspections. The workload impact is paid for by HCFA through a larger grant award than was assumed in the original 1997-99 biennial budget. (General Fund-Federal)

**17. Hepatitis A Vaccination Program** - Funding is provided for the implementation of a Hepatitis A emergency vaccination program. The entire amount will be passed through to county health districts that have employed a public education effort and have infection rates in excess of 100 per 100,000 population. (General Fund-State)

**18. Regulatory Reform** - Funding is provided to implement E2SHB 2345 (regulatory reform). The bill makes several changes to the Administrative Procedures Act relating to rule making, review and notification. (General Fund-State, Health Professions Account)

**19. Chemical Dependency Certification** - Substitute Senate Bill 6550 authorizes the certification of chemical dependency professionals. Additional expenses reflected here are the net cost of adding this new program, less savings from the current counselor registration program that will not exist for this group of health professionals. (Health Professions Account)

**20. Cervical & Breast Cancer Screening** - Funding is provided to allow local public health agencies to continue to provide free cervical and breast cancer checks for low-income women, a program made possible with federal grants from the Centers for Disease Control. (General Fund-State)

**1997-99 Revised Budget (1998 Supp)**  
**Department of Veterans' Affairs**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	492.7	19,121	53,455
<b>1998 Supplemental Changes:</b>			
1. Census & Revenue Adjustments	0.0	628	0
2. World War II Memorial	0.0	200	200
Total Supplemental Items	0.0	828	200
1997-99 Revised Appropriations	492.7	19,949	53,655

*Comments:*

**1. Census & Revenue Adjustments** - Additional state funds are provided to support operations at the two state veterans' homes because federal and local revenues are not being generated at the levels originally budgeted. Census at both homes is approximately 4% below budgeted levels, resulting in reduced revenues both from resident contributions and from federal sources. Revenues are also lower than budgeted because federal payment rates, and resident cost-of-living adjustments, have both increased less than budgeted. (Other Funds: General Fund-Local; General Fund-Federal)

**2. World War II Memorial** - Funding is provided for construction of a memorial on the grounds of the State Capitol to the men and women who served in the armed forces during World War II. Construction of the memorial is to be a public/private partnership, with individual and corporate donors contributing the remaining two-thirds of the monument's cost.

**1997-99 Revised Budget (1998 Supp)**  
**Department of Corrections**

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	6,695.4	825,064	848,518
<b>1998 Supplemental Changes:</b>			
1. Community Corr Officers-Firearms	1.7	835	835
2. Delay Tri-Cities WTR	-3.6	-407	-407
3. Population Forecast Adjustment	0.1	41	41
4. DSHS Population Adjustment	7.8	639	639
5. Juvenile Program Savings	-8.7	-334	-334
6. Juvenile Education	0.0	-866	-866
7. Prison Facilities Savings	-8.7	-1,527	-1,527
8. Agency Efficiencies	-1.9	-1,162	-1,162
9. Penalties for Manufacture of Meth #	0.1	8	8
10. Penalties for Amphetamine Crimes #	0.5	70	70
11. Mentally Ill Offenders #	0.5	45	45
12. Sex Offender Registration #	0.0	36	36
Total Supplemental Items	-12.3	-2,622	-2,622
1997-99 Revised Appropriations	6,683.2	822,442	845,896

*Comments:*

**1. Community Corr Officers-Firearms** - In 1997, the legislature passed and the Governor vetoed, SB 5047 which permitted community corrections officers to carry firearms in the course of their duties. Under that bill, community corrections officers who would have chosen to carry a firearm would have been required to pay for their own firearm, materials, and equipment. In addition, they would have been required to arrange, purchase and complete a mandatory training program that would have been developed by the Criminal Justice Training Commission. After the veto, the department conferred with labor organizations to reach a mutually agreed upon approach which the department feels can be implemented without statutory change. Funds are provided to the department to purchase firearms, holsters, storage lockers, ammunition, vests, and eye/ear protection. In addition, funding is provided to conduct additional screening of employees who desire to carry firearms. Finally, 2.5 FTE staff are provided to conduct training and coordinate the on-going certification requirements associated with implementing this policy.

**2. Delay Tri-Cities WTR** - Savings result from delays in opening the Tri-Cities Work/Training Release (WTR) facility. Delays are the result of on-going litigation relating to site selection of the facility. The facility is now assumed to open in June, 1999.

**3. Population Forecast Adjustment** - Funding is adjusted to reflect the November 1997 inmate forecast by the Caseload Forecast Council. The new forecast anticipates 46 fewer inmates in fiscal year 98 and 52 more inmates in fiscal year 99 than was originally projected in November 1996.

**4. DSHS Population Adjustment** - The Department of Social & Health Services is relocating the Special Commitment Center from Monroe to McNeil Island. Funding is provided to the Department of Corrections for the increased costs associated with the reoccupation of a close custody unit at Monroe. The Special Commitment Center will be occupying a minimum custody housing unit at McNeil Island.

**5. Juvenile Program Savings** - Chapter 338, Laws of 1997 (E3SHB 3900) requires the department to house most offenders under the age eighteen apart from offenders over the age of eighteen. The original budget assumed that a previously vacant housing unit at the Washington Corrections Center for Women would need to be reopened for this purpose. Savings are generated by the department instead using a separate portion of an already occupied housing unit.

**6. Juvenile Education** - Chapter 338, Laws of 1997 (E3SHB 3900) requires the department to provide certain educational opportunities to offenders under the age of eighteen. The original budget provided funding to the Department of Corrections for this purpose. Funding for the education of offenders under the age of eighteen is transferred from the department to the Superintendent of Public Instruction effective September, 1998.

**1997-99 Revised Budget (1998 Supp)**  
**Department of Corrections**

Wednesday, Mar. 11, 1998  
7:07 pm

**7. Prison Facilities Savings** - Savings are realized from delays in opening expansion facilities at Cedar Creek Corrections Center, Larch Corrections Center, McNeil Island Corrections Center, Washington Corrections Center for Women, and the Washington State Reformatory.

**8. Agency Efficiencies** - Savings are realized in personnel costs and through the migration of the Offender Based Tracking System (OBTS) from the Washington State Patrol to the Department of Information Services.

**9. Penalties for Manufacture of Meth #** - Funding is provided for the implementation of HB 2628, which increases the penalty for the manufacturing methamphetamine.

**10. Penalties for Amphetamine Crimes #** - Funding is provided for SB 6139, which increases the penalty for amphetamine crimes.

**11. Mentally Ill Offenders #** - Funding is provided for the implementation of SSB 5760, which requires the gathering of additional information and monitoring of mentally ill offenders.

**12. Sex Offender Registration #** - Funding is provided for the implementation of the HB 1172, which makes a variety of changes to sex offender registration requirements and brings Washington statutes into conformance with the federal Jacob Wetterling Act.

**1997-99 Revised Budget (1998 Supp)**  
**Department of Employment Security**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	2,235.5	2,521	409,298
<b>1998 Supplemental Changes:</b>			
1. Welfare to Work	3.9	0	20,156
2. One-Stop Implementation	0.0	0	4,877
3. Local Funds	0.0	0	3,808
4. TAXIS improvements	1.5	0	1,786
5. Field PC Replacement for Year 2000	0.0	0	813
Total Supplemental Items	5.4	0	31,440
1997-99 Revised Appropriations	2,240.8	2,521	440,738

*Comments:*

**1. Welfare to Work** - Funding is provided to transition welfare recipients to work. Funds currently appropriated for the Temporary Assistance for Needy Families (TANF) program will be used as the source of the required 50 percent state match. The governor is required to obtain a federal waiver that allows formula grants to be distributed to alternative agencies. (General Fund-Federal)

**2. One-Stop Implementation** - Funding is provided from phase 2 of a federal grant to implement a statewide system to improve and integrate all employment service related systems across state government. These funds will allow the agency to implement the One-Stop system mandated by the federal Department of Labor. (General Fund-Federal)

**3. Local Funds** - Additional local funds are provided to allow the agency to maintain contracted services in communities throughout the state. These services include providing training and job services and labor market information to clients of other state agencies and private non-profit organizations. (General Fund-Private/Local)

**4. TAXIS improvements** - Funding is provided to correct deficiencies within the Tax Information System (TAXIS). (Administrative Contingency Account, Employment Service Administrative Account)

**5. Field PC Replacement for Year 2000** - Funding is provided for the replacement of field office personal computers for Year 2000 compliance. The federal funds are part of a federal grant which may only be used for this activity. (Unemployment Compensation Administration Account-Federal, Employment Services Administration Account-State)



**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Children and Family Services**

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	2,172.6	405,298	662,197
<b>1998 Supplemental Changes:</b>			
1. Administrative Reduction Transfer	-7.0	-916	-1,164
2. Vendor Rate Transfer	0.0	7,621	9,375
3. FMAP Change	0.0	-248	0
4. Children's Forecast Update	0.0	-2,260	-3,283
5. Child Abuse & Treatment Act	1.7	255	322
6. DD Dependent Children Transfer	-6.0	-6,402	-9,051
7. ECEAP program consolidation	0.0	3,000	3,000
8. Becca Bill Related Costs	0.0	9,419	9,419
9. Social Service Block Grant Decrease	0.0	451	0
10. Secured Crisis Residential Centers	0.0	-1,800	-1,800
11. Foster Parent Support Teams	0.0	70	70
12. Victims of Crime Federal Increase	0.0	0	2,435
Total Supplemental Items	-11.4	9,190	9,323
1997-99 Revised Appropriations	2,161.2	414,488	671,520

*Comments:*

This budget assumes that the Children's Administration will forego use of appropriations from the Violence Reduction and Drug Enforcement (VRDE) account in exchange for a like amount of federal Title IV-B money from Community Public Health and Safety Networks. The budget contains changes in fund sources and proviso language (includes Continuum of Care) to implement this fund swap.

**1. Administrative Reduction Transfer** - This reflects the share of the department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Children's Services Administration program (General Fund-State, General Fund-Federal)

**2. Vendor Rate Transfer** - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for DSHS as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in the Children and Family Services program. (General Fund-State, General Fund-Federal)

**3. FMAP Change** - The Federal Matching Assistance Percentage (FMAP) is the rate at which expenditures for eligible services are reimbursed by the federal government. This item reflects the increase in the federal participation rate from 52.15 percent to 52.50 percent effective October 1, 1998. (General Fund-State, General Fund-Federal)

**4. Children's Forecast Update** - This items reflects the following November 1997 forecast changes: (1) the total family foster home expenditures will decrease by approximately 6.9 percent; (2) group care expenditures will increase by approximately 8.7 percent; (3) adoption support expenditures will decrease by approximately 3 percent. (General Fund-State, General Fund-Federal)

**5. Child Abuse & Treatment Act** - Funds are provided for the creation of a fair hearing process and accelerated permanency planning for teenage children in foster care to meet new federal standards under CAPTA (the Child Abuse Prevention and Treatment Act of 1996) and AFSA (the Adoption and Safe Families Act of 1997). Reimbursements for services provided by the Office of Administrative Hearings and the Office of the Attorney General (\$144,000) are budgeted in the Payments to Other Agencies program. (General Fund-State, General Fund-Federal)

**6. DD Dependent Children Transfer** - This item reflects the transfer of \$9 million of staff, equipment and out-of-home care resources to the Division of Developmental Disabilities for 300 of approximately 1,000 children with developmental disabilities who have been receiving out-of-home care placement services from the Children's Administration and were placed in out-of-home care for reasons other than abuse or neglect. (General Fund-State, General Fund-Federal)

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Children and Family Services**

**7. ECEAP program consolidation** - Washington matches state funds for early childhood education drawing federal grants on behalf of eligible children through DSHS. Last year, Congress consolidated its child care support for states into a single block grant known as the Child Care Development Fund (CCDF). As an efficiency measure, a portion of the Early Children Education Assistance Program (ECEAP) funded through Economic Services is transferred to the Children's Administration. (General Fund-State)

**8. Becca Bill Related Costs** - Funding is provided to the counties for the cost of processing truancy, child in need of services (CHINS), and at-risk youth petitions related to the Becca Bills. (General Fund-State)

**9. Social Service Block Grant Decrease** - The Social Service Block Grant (SSBG), authorized under Title 20 of the Social Security Act, enables each state to furnish social services best suited to the needs of its residents. The amount awarded to Washington for federal fiscal year 1998 is lower than assumed in the original 1997-99 biennial budget. State funding is provided in state fiscal year 1998 to replace the federal reduction. Congress has not appropriated SSBG for federal fiscal year 1999, so the amount of backfill needed in state fiscal year 1999, if any, cannot be determined at this time. (General Fund-State, General Fund-Federal)

**10. Secured Crisis Residential Centers** - Funding is adjusted on a one-time basis to reflect lower than anticipated costs to operate secured Crisis Residential Centers (CRCs) in FY 98. More bidders have responded to the department's November request for proposal, and the agency expects to be operating at or near fully capacity (75 beds statewide) by the summer. (General Fund-State)

**11. Foster Parent Support Teams** - This item provides state money for the administrative expenses of the Foster Intervention Retention Support Team. FIRST is a statewide network of volunteers who provide non-judgmental support to foster parents who find themselves under investigation by child protective services for an alleged misconduct or license violation. (General Fund-State)

**12. Victims of Crime Federal Increase** - Due to several large penalty deposits into the national Crime Victim's Fund last year, aid from the Justice Department for programs designed to assist sexual assault victims and other crime victims will be higher than anticipated in the original 1997-99 biennial budget. (General Fund-Federal)

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Juvenile Rehabilitation**

	FTEs	Conference GF-S	Total
1997-99 Original Appropriations	1,248.0	157,629	201,973
<b>1998 Supplemental Changes:</b>			
1. Administrative Reduction Transfer	0.0	-138	-138
2. Vendor Rate Transfer	0.0	1,642	1,935
3. FMAP Change	0.0	-22	0
4. Community Juvenile Accountability	0.0	0	2,700
5. Residential Bed Forecast Adjustment	-24.1	-204	-217
6. Group Home Security	3.6	2,365	2,365
7. Sexually Aggressive Youth	6.2	482	482
8. Social Service Block Grant Decrease	0.0	2,938	0
9. Delinquency Prevention Project	0.0	150	150
10. Sex Offender Registration #	0.2	44	44
Total Supplemental Items	-14.2	7,257	7,321
1997-99 Revised Appropriations	1,233.8	164,886	209,294

*Comments:*

**1. Administrative Reduction Transfer** - This reflects the share of the department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Juvenile Rehabilitation Administration. (General Fund-State, General Fund-Federal)

**2. Vendor Rate Transfer** - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for DSHS as a whole. This reflects the share of that appropriation which will actually be used for vendor rate increases in the Juvenile Rehabilitation Administration. (General Fund-State, Violence Reduction and Drug Enforcement Account, General Fund-Federal)

**3. FMAP Change** - The Federal Matching Assistance Percentage (FMAP) is the rate at which expenditures for eligible services are reimbursed by the federal government. This item reflects the increase in the federal participation rate from 52.15 percent to 52.50 percent effective October 1, 1998. (General Fund-State, General Fund-Federal)

**4. Community Juvenile Accountability** - Chapter 338, Laws of 1997 (E3SHB 3900) established the Community Juvenile Accountability Act (CJAA) grant process. The grants are intended to be an incentive to local communities to implement interventions proven by behavioral science research to be effective in reducing recidivism among juvenile offenders. Funding is provided for CJAA planning and development in fiscal year 98 and full implementation in fiscal year 99. (Violence Reduction and Drug Enforcement Account)

**5. Residential Bed Forecast Adjustment** - Funding is adjusted to correspond to projected population changes included in the November 1997 forecast. JRA's institutional population is forecasted to decrease by 49 offenders in fiscal year 98 and increase by 13 offenders in fiscal year 99 from the November 1996 forecast. In addition, funding is provided to keep two cottages at Maple Lane open for fiscal year 99. The original 1997-99 biennial budget assumed that these smaller and less efficient cottages would be closed. These cottages will remain open as more efficient housing units are constructed. All institutional beds are funded using the rates established by the Joint Legislative Audit & Review Committee (JLARC) in their January 1997 study. Funding levels are adjusted for parole and other community services programs to reflect changes in projected workload. (General Fund-State, General Fund-Federal)

**6. Group Home Security** - Funding is provided to implement 2SSB 6445, which modifies provisions related to juveniles placed in the JRA's community facilities. The specific items required by the bill include: the establishment of placement oversight committees at each of the facilities; the gathering of additional information during the intake and assessment process; revising the criteria by which offenders are allowed to transfer into community facilities; providing for additional monitoring of the contracted and state operated facilities; and requiring a special study of contracts, operations and monitoring of community facilities.

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Juvenile Rehabilitation**

**7. Sexually Aggressive Youth** - E2SSB 5710 (Chapter 386, Laws of 1997) directed the department to develop a policy to protect youth placed in state operated or state funded residential facilities who are vulnerable to sexual victimization by sexually aggressive youth. Funding was provided to implement the provisions of the bill in the original 1997-99 Biennial budget. During the implementation of the bill, the department found that it was unable, especially on one person shifts, to supervise offenders in such a way as to avoid the potential for inappropriate sexual contact. Funding is provided to increase staffing on certain shifts to further minimize the potential for sexual contact.

**8. Social Service Block Grant Decrease** - The Social Service Block Grant, authorized under the Social Security Act, Title XX, enables each state to furnish social services best suited to the needs of the individuals residing in each state. However, the United States Congress has reduced this funding in federal fiscal year 1998. State funding is provided to replace federal funds so the Department can maintain its social services at the current level. (General Fund-State, General Fund-Federal)

**9. Delinquency Prevention Project** - Funding is provided for the Skagit County Delinquency Prevention Project. The program provides a variety of prevention and intervention services to high risk youth and their families.

**10. Sex Offender Registration #** - Funding is provided for the implementation of the HB 1172, which makes a variety of changes to sex offender registration requirements and brings Washington statutes into conformance with the federal Jacob Wetterling Act.

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Mental Health**

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	2,728.5	474,344	939,345
<b>1998 Supplemental Changes:</b>			
1. Administrative Reduction Transfer	0.0	-290	-384
2. Vendor Rate Transfer	0.0	8,965	15,877
3. FMAP Change	0.0	-1,134	0
4. Medical Lake Wastewater Treatment	0.0	150	150
5. Underfunding for Staff	18.6	953	1,905
6. Outside Medical Costs	0.0	564	1,128
7. Pharmacy & New Drug Costs	0.0	510	1,018
8. Medicare Discharges	0.0	1,700	0
9. Forensic Overcrowding - WSH	5.3	580	921
10. Medicare Crossover Payments	0.0	-2,566	-5,250
11. Special Commitment Ctr: Female Res.	6.6	547	547
12. Special Commitment Ctr Relocation	11.7	2,925	2,925
13. Medicaid Eligibles Forecast	0.0	0	-1,897
14. DD Clients Exiting	0.0	-1,275	-2,025
15. Mentally Ill Offender Legislation	11.1	2,237	3,023
Total Supplemental Items	53.2	13,866	17,938
1997-99 Revised Appropriations	2,781.6	488,210	957,283

*Comments:*

**1. Administrative Reduction Transfer** - This reflects the share of the department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Mental Health Division. (General Fund-State, General Fund-Federal)

**2. Vendor Rate Transfer** - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for DSHS as a whole. This reflects the share of that appropriation which will actually be used for vendor rate increases in the Mental Health Division. (General Fund-State, General Fund-Federal)

**3. FMAP Change** - The Federal Matching Assistance Percentage (FMAP) is the rate at which expenditures for eligible services are reimbursed by the federal government. This item reflects the increase in the federal participation rate from 52.15 percent to 52.50 percent effective October 1, 1998. (General Fund-State, General Fund-Federal)

**4. Medical Lake Wastewater Treatment** - DSHS is working with the City of Medical Lake to develop a regional wastewater treatment facility that will provide service to the city and to state facilities. As part of the interlocal agreement, the state is required to provide its share of funds to repay the city for the construction financing it borrows on the state's behalf.

**5. Underfunding for Staff** - Funding is provided for staff that provide essential direct and indirect patient services. Both hospitals have experienced increased forensic admissions at their respective legal offender units. This funding will allow the state hospitals to address increased admissions, as well as maintain appropriate patient care and hospital accreditation. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

**6. Outside Medical Costs** - Patients at the state mental hospitals who require acute or emergency medical care beyond the level the state hospitals can provide are sent off campus to be treated at community hospitals. Funding is provided to cover increases in these expenses. (General Fund-Federal, General Fund-Private/Local)

**7. Pharmacy & New Drug Costs** - Recently, a number of new psychotropic medications have been introduced, as well as advances in new drugs and antibiotics for use in physical medicine. Although funding for prescription drugs was provided in the original 1997-99 biennial budget, including 4 percent annual inflation, the cost of the new drugs exceed this level. Funding is provided for the higher pharmacy costs at the state hospitals. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Mental Health**

**8. Medicare Discharges** - A recent change by the Health Care Financing Administration (HCFA) directs that state psychiatric hospitals begin using a discharge definition of 30 days for Medicare settlement purposes. This funding replaces estimated lost federal revenue for fiscal year 98 only. It is anticipated that issues related to the HCFA policy change will be successfully resolved. (General Fund-State, General Fund-Private/Local)

**9. Forensic Overcrowding - WSH** - The admission ward at Western State Hospital's Legal Offender Unit (LOU) has become seriously overcrowded. There are 27 beds in the LOU admission ward, and it has recently been housing an average of 30 to 35 persons on any given day. Western State does not have the option to refuse court commitments. Funding is provided to hire additional staff to perform evaluations in local jails prior to admission to LOU. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

**10. Medicare Crossover Payments** - In January 1996, a federal court ordered that service payments on behalf of people eligible for both Medicare and Medicaid (Medicare crossover payments) shall be adjusted to 50 percent of the Medicare-allowed amount regardless of Medicaid limits. In the recent federal Balanced Budget Act, states were allowed to impose their own Medicaid limits on these Medicare crossover payments effective October 1997. This item reflects this policy change. (General Fund-Federal)

**11. Special Commitment Ctr: Female Res.** - In September 1997, a court injunction required that the only female resident in the Special Commitment Center be moved out of that facility by October 1997. In order to meet the court's deadline, she has been temporarily relocated to a vacant segregation unit at Twin Rivers Correctional Center (TRCC) until a long-term solution can be developed for this resident. Funding is provided for additional staff for treatment and security of the female resident.

**12. Special Commitment Ctr Relocation** - The Special Commitment Center (SCC) at Monroe is expecting a growth rate for new residents greater than that assumed in the original 1997-99 biennial budget. Funding is provided for the staff to accommodate the resident growth and court costs increases. In addition, one-time moving costs are provided to move the SCC from Monroe to McNeil Island.

**13. Medicaid Eligibles Forecast** - The Mental Health Division contracts with the Regional Support Networks to provide managed care for inpatient and outpatient mental health services. Funding levels for the managed care prepaid health plans is based on the Medicaid-eligibles forecast made by the Medical Assistance Administration. The November 1997 forecast is less than the estimate used for the original 1997-99 biennial budget by 1.7 percent in fiscal year 1998 and 0.23 percent in fiscal year 1999. An adjustment is made to the federal match portion only. (General Fund-Federal)

**14. DD Clients Exiting** - Thirty individuals dually diagnosed with developmental disabilities and mental illness have been treated in the state hospitals and are ready to return to the community. Funding is provided in the Division of Developmental Disabilities supplemental budget to support these placements. This adjustment to funding in the state hospitals reflects the reduced variable costs associated with the reduction in average daily census resulting from placement of these individuals. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

**15. Mentally Ill Offender Legislation** - Funding is provided for 2SSB 6214 which makes a variety of changes to the civil commitment and criminal competency statutes. As a result of these changes, it is anticipated that there will be an increase in civil commitments to state hospitals and community inpatient facilities. In addition, it is projected that the workload associated with criminal competency evaluation and treatment will increase. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Developmental Disabilities**

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	3,362.7	415,063	777,464
<b>1998 Supplemental Changes:</b>			
1. Administrative Reduction Transfer	-2.0	-137	-269
2. Vendor Rate Transfer	0.0	7,656	12,837
3. FMAP Change	0.0	-877	0
4. DD Dependent Children Transfer	9.6	5,696	10,303
5. DD Comm Protection Current Clients	0.0	1,471	3,152
6. New DD Community Protection Clients	3.5	6,753	13,560
7. RHC Downsizing	0.7	620	1,199
8. Case Manager Staffing	20.5	992	1,417
9. CA Clients Aging Into DDD	1.5	1,905	3,767
10. AFH Payment Adjustments	0.0	1,449	2,909
11. Mental Health Outplacements	0.0	426	895
12. Personal Care Exceptional Rates	0.0	394	833
13. Aging Parents with DD Children	0.0	604	1,208
14. Medicaid Personal Care	0.0	4,290	9,447
15. Rainier School Settlement	0.0	104	210
16. Fircrest/DOJ Resolution Placements	0.4	614	1,185
17. Fircrest Active Client Engagement	12.4	758	1,490
18. ICF/MR Certification	68.1	2,316	4,632
19. Increased Waiver Funding	0.0	-2,793	0
20. Day Programs for Unserved Adults	0.0	1,792	1,792
21. BHP Under-Expenditure	0.0	0	-2,200
22. UCP Movement Adjustment	0.0	-71	-137
Total Supplemental Items	114.7	33,962	68,230
1997-99 Revised Appropriations	3,477.3	449,025	845,694

*Comments:*

**1. Administrative Reduction Transfer** - This reflects the share of the department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the developmental disabilities program. (Other Funds: General Fund-Federal)

**2. Vendor Rate Transfer** - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for DSHS as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in the developmental disabilities program. (Other Funds: Health Services Account, General Fund-Federal)

**3. FMAP Change** - The Federal Medical Assistance Percentage (FMAP) at which the federal government matches state Medicaid expenditures is increasing to 52.50 percent effective October 1, 1998, resulting in a general fund-state savings compared to the 52.15 percent originally budgeted for 1997-99. (Other Funds: General Fund-Federal)

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Developmental Disabilities**

**4. DD Dependent Children Transfer** - As proposed by the department, the Children's Administration will transfer to the Division of Developmental Disabilities responsibility for services for children with developmental disabilities who have been placed in out-of-home care for reasons other than abuse or neglect. Approximately 300 of the 1,000 children with developmental disabilities who receive out of home care or placement prevention services from the Children's Administration are thought to meet this definition. This item reflects the transfer of \$9 million of staff, equipment, and out-of-home care costs for these 300 children from the Children's Administration to the Division of Developmental Disabilities effective July 1, 1998. In addition to the transfer, this item includes \$670,000 of increased funding for new costs which the Division of Developmental Disabilities is expected to incur in administering the program, and \$582,000 of increased funding for an anticipated 7% per year increase in the number of children approved for out-of-home placement as a result of the transfer. This budget provides less state funding and more federal funding than originally proposed by the agency, in anticipation of federal approval by October 1, 1998 of waiver and plan amendments which will enable the Division of Developmental Disabilities to earn a significantly higher federal match rate for these children than has been possible through the Children's Administration. (Other Funds: General Fund-Federal)

**5. DD Comm Protection Current Clients** - In the 1997-99 biennial budget, funding was provided for the agency to operate secure residential settings with 24-hour supervision for 40 developmentally disabled persons with histories of physically or sexually abusive behaviors or arson. Over the course of the past year, the agency identified and placed 24 more such individuals than originally budgeted into more secure living arrangements. (Other Funds: General Fund-Federal)

**6. New DD Community Protection Clients** - In addition to those funded in item #5 above, the agency has identified an additional 129 persons with similar dangerous behaviors who are currently in non-secure living arrangements or about to leave jail or mental health hospitals. Funding is provided to operate secure residential settings for these 129 individuals, and also an additional 16 persons who are expected to be identified before the end of the biennium. (Other Funds: General Fund-Federal)

**7. RHC Downsizing** - The agency developed new community services for 41 individuals who moved from the Residential Habilitation Centers (RHCs) during the 1995-97 Biennium. Although less than half the cost of the new community placements was covered by RHC savings, the agency proceeded with the placements without first seeking appropriation authority from the Legislature. This item funds the extra costs which will be incurred after enactment of the 1998 Appropriations Act. The agency is responsible for covering the costs it incurred without legislative authorization through efficiencies elsewhere in its operations. (Other Funds: General Fund-Federal)

**8. Case Manager Staffing** - The agency has added 20.5 case management staff to keep up with caseload and workload increases. These new expenditures were incurred without first seeking appropriation authority from the Legislature. This item funds the extra costs which will be incurred after enactment of the 1998 Appropriations Act. The agency is responsible for covering the costs it incurred without legislative authorization through efficiencies elsewhere in its operations. (Other Funds: General Fund-Federal)

**9. CA Clients Aging Into DDD** - Funding is provided for placement of 76 young persons who will need residential services funded through the Division of Developmental Disabilities because they have reached an age at which they are no longer eligible for out-of-home care through the Children's Administration (CA). This item also includes funding for staff to develop new provider resources for these individuals. The legislative budget provides sufficient funding for the new residential services for these young people to cost 15% more than their current placement. (Other Funds: General Fund-Federal)

**10. AFH Payment Adjustments** - The Aging and Adult Services Administration has doubled its payment rates for adult family homes (AFH) since 1995 in order to expand community residential options for its clients. This has had the unintended effect of creating higher average payment rates for adult family homes serving the aged than for those serving persons with developmental disabilities. This is making placements for persons with developmental disabilities more difficult to achieve. This funding level will allow the agency to provide exceptional rates in situations where new or continued placement is difficult. (Other Funds: General Fund-Federal)

**11. Mental Health Outplacements** - Funding is provided to cover the cost of residential and day program services for ten long-term residents of the state mental hospitals whose needs cannot be accommodated in existing community vacancies. (Other Funds: General Fund-Federal)

**12. Personal Care Exceptional Rates** - Funding is restored so that the agency may once again authorize exceptional care rates at the same expenditure level as was occurring prior to the blanket prohibition on such exceptions which went into effect in September 1997. (Other Funds: General Fund-Federal)



**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Developmental Disabilities**

**13. Aging Parents with DD Children** - Funding is provided for residential and other services for 24 persons living with aging parents who are expected to need out-of-home placement during the 1997-99 Biennium due to their parents' death or illness. (Other Funds: General Fund-Federal)

**14. Medicaid Personal Care** - Caseload growth and average costs per case for Medicaid Personal Care are both growing faster than originally budgeted. The Senate budget funds all of the caseload and cost per case growth proposed by the Governor, with an adjustment to correct for an under-estimate of available federal funding. This will result in an average of 2,100 children being served each month during Fiscal Year 98 (a 39 percent increase over last year), and an average of 4,388 adults (an 11% increase over Fiscal Year 1997). An average of 2,656 children and 4,868 adults are expected to be served in Fiscal Year 1999. This is an additional 26% increase for children, and an additional 11% increase for adults, over the FY 98 level. (Other Funds: General Fund-Federal)

**15. Rainier School Settlement** - Funding is provided to settle a lawsuit with the Washington Protection and Advocacy Agency by providing community residential and day program services for two individuals who want to move from Rainier School. (Other Funds: General Fund-Federal)

**16. Fircrest/DOJ Resolution Placements** - The Department of Justice (DOJ) began investigating conditions at Fircrest School in 1993. In an agreement with DOJ to avoid court action against Fircrest, the agency has agreed to place 32 Fircrest residents into community residential settings during the 1997-99 Biennium. Funding is provided for new community residential, day program, and case management services for these 32 persons. The cost of these new services is partly offset through closure of one 16-bed living unit at Fircrest during Fiscal Year 1999, with a second to be closed by the beginning of Fiscal Year 2000. (Other Funds: General Fund-Federal)

**17. Fircrest Active Client Engagement** - As part of the resolution with the Department of Justice (DOJ) to improve conditions at Fircrest School, DSHS has agreed to additional staff coverage to ensure active client engagement and implementation of behavior and skill development programs. This item also includes funding for a DOJ consultant, contract personnel, and additional staff to meet DOJ concerns, the costs of which the Department has been absorbing. (Other Funds: General Fund-Federal)

**18. ICF/MR Certification** - During recent certification surveys, the Intermediate Care Facilities for the Mentally Retarded (ICF/MR) at three of the state's Residential Habilitation Centers (RHCs) have been found out of compliance in the area of providing continuous active treatment to residents. To correct this deficiency and to maintain federal funding for the RHCs, additional staff is provided to cover staff breaks and maintain continuous treatment for residents' health and skill development. (Other Funds: General Fund-Federal)

**19. Increased Waiver Funding** - The 1997 Federal Balanced Budget Act will enable Washington to collect approximately \$2.8 million of new federal Medicaid match on the cost of employment services which were previously funded entirely with state dollars. (Other Funds: General Fund-Federal)

**20. Day Programs for Unserved Adults** - The state funds saved as a result of the increased federal match in item 19, above, will be used to provide day program services for approximately 360 adults who are currently unserved. The 360 unserved adults are expected to phase into services during April - June 1998. Because it will not be possible to spend all of the new funds available for Fiscal Year 1998 during this start-up period, approximately \$994,000 of the state fund savings are used to offset the cost of the Medicaid personal care caseload growth funded in this budget.

**21. BHP Under-Expenditure** - Workers with family incomes below 200% of poverty who provide homecare services to people with developmental disabilities are eligible to enroll in the Basic Health Plan (BHP) at a cost of \$10 per month, with the balance of their premium cost covered by state Health Services Account and federal funds appropriated to the Division of Developmental Disabilities. Fewer homecare workers are enrolling in the BHP than budgeted, so this item adjusts funding accordingly. (Other Funds: Health Services Account, General Fund-Federal)

**22. UCP Movement Adjustment** - The original biennial budget provided \$1.4 million for the United Cerebral Palsy Association to develop community housing arrangements for the 57 people who would otherwise be living in its nursing facility. Due to an updated movement schedule, it now appears that only about \$1.25 million of additional public funding will be needed to complete the movements, but that more money than originally planned will be needed in fiscal year 1999, and less in fiscal year 1998. (Other Funds: General Funds-Federal)

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Long-Term Care Services**

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	851.2	808,349	1,692,605
<b>1998 Supplemental Changes:</b>			
1. Administrative Reduction Transfer	-4.0	-285	-569
2. Vendor Rate Transfer	0.0	7,357	14,983
3. FMAP Change	0.0	-1,990	0
4. Correct FMAP Double-Count	0.0	1,990	0
5. Boarding Homes	9.8	263	1,544
6. Technical Corrections to FTEs	6.0	0	0
7. Adjust Federal Spending Authority	0.0	0	3,440
8. Boarding Home Fee Increase	0.0	37	76
9. Boarding Home Investigation Staff	11.5	1,368	1,868
10. Nursing Facility Census & Rate #	0.0	568	3,699
11. Community Services Caseload Growth	0.0	14,550	32,770
12. Community Program Reductions	0.0	-1,571	-3,286
13. AASA Case Management	29.3	2,982	5,963
14. AAA Case Management	0.0	1,634	2,748
15. BHP Under-Enrollment	0.0	79	-5,812
16. Legal Immigrants SSI	0.0	-732	-732
Total Supplemental Items	52.5	26,250	56,692
1997-99 Revised Appropriations	903.7	834,599	1,749,297

*Comments:*

**1. Administrative Reduction Transfer** - This reflects the share of the department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Aging and Adult Services Administration. (Other Funds: General Fund-Federal)

**2. Vendor Rate Transfer** - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for DSHS as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in the Aging and Adult Services Administration. (Other Funds: General Fund-Federal)

**3. FMAP Change** - The Federal Medical Assistance Percentage (FMAP) at which the federal government matches state Medicaid expenditures is increasing to 52.50 percent effective October 1, 1998, resulting in a general fund-state savings compared to the 52.15 percent originally budgeted for 1997-99. (Other Funds: General Fund-Federal)

**4. Correct FMAP Double-Count** - In the Administration's original budget proposal, the state savings resulting from the increased federal matching rate were counted both in the "FMAP Change" step above, and also in the "Nursing Home Census & Rate" and the "Community Caseload Growth" steps below. This item adjusts for the double-count. (Other Funds: General Fund-Federal)

**5. Boarding Homes** - EHB 2410 transfers responsibility for licensing, inspecting, and investigating complaints at boarding homes from the Department of Health to the Aging and Adult Services Administration of DSHS. (Other Funds: General Fund - Local)

**6. Technical Corrections to FTEs** - In the 1997-99 budget the Legislature authorized funding for six staff to monitor the safety of long term care residential clients as part of the operation of a federally-mandated nursing home residential protection program. The FTEs were omitted from final documentation even though the positions were fully funded.

**7. Adjust Federal Spending Authority** - Funding for the federal Older Americans Act and a variety of other federal grant programs is greater than originally budgeted for 1997-99. (Other Funds: General Fund-Federal)

**8. Boarding Home Fee Increase** - Annual boarding home licensing fees are to be raised in order to cover the cost of increased quality assurance activities. Funding is provided to cover the estimated cost of the fee increase which is allocable to publicly-funded boarding home residents. (Other Funds: General Fund-Federal)

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Long-Term Care Services**

**9. Boarding Home Investigation Staff** - A total of 18.5 quality assurance staff are added over the level originally appropriated to improve inspections and complaint investigations in boarding homes. Approximately 70% of the cost of this increase is covered with state subsidy, and the balance is to be covered through fee increases to boarding home providers. The state subsidy is to be phased out by the end of the 1999-01 biennium, with fees covering the full cost of the inspection program. (Other Funds: General Fund-Local)

**10. Nursing Facility Census & Rate #** - Nursing home census is now expected to average 14,660 in Fiscal Year 1998 and 14,433 in Fiscal Year 1999. This is approximately 290 (2%) more publicly-funded residents than was anticipated in the original 1997-99 biennial budget. Supporting these 290 additional cases will cost approximately \$20 million (\$9.6 million state) more than originally budgeted. Nursing home payment rates and nurse's aide training are expected to be approximately 1% higher than originally budgeted for Fiscal Year 1998. For Fiscal Year 1999, as provided in E2SHB 2935 and the conference budget, the average nursing home payment rate will be \$117.36, a 2.5% average increase over the Fiscal Year 1998 level. These extra costs are partly offset by higher-than-budgeted resident incomes, which will reduce public expenditures for their care by approximately \$3.7 million below the levels originally budgeted. (Other Funds: General Fund-Federal)

**11. Community Services Caseload Growth** - The number of persons receiving community-based long-term care is expected to grow by 12 percent in fiscal year 1998, rather than by 9 percent as budgeted. Additionally, the average cost per person served has grown by 8.1 percent in Fiscal Year 1998, rather than by 5.7 percent as budgeted. To avoid the drastic service reductions which would otherwise be necessary to correct for these over-expenditures, the Conference budget provides the full \$14.1 million (\$6.7 million state) for Fiscal Year 1998 which the agency indicates is necessary to cover these higher costs. For Fiscal Year 1999, the Conference budget provides sufficient funding for the number of persons receiving community long-term care to increase by an additional 11%, and for the average cost per person served to increase by up to 4%. It is expected the agency will be able to manage within these levels by instituting improved resource management and targetting of more expensive levels of care. (Other Funds: General Fund-Federal)

**12. Community Program Reductions** - The Senate budget concurs with the following cost-control measures proposed by the Governor: 1) lidding monthly expenditures for COPES ancillary services; 2) maintaining Elder Place enrollment at 100 participants; and 3) establishing cost controls in the private duty nursing program. The Senate budget does not anticipate that the chore services asset level will be reduced from \$10,000 to \$2,000, or that any savings will be made in the adult day health program beyond those already budgeted in the original biennial budget. (Other Funds: General Fund-Federal)

**13. AASA Case Management** - Funding is provided for an approximately 8 percent increase in the ratio of state field staff to persons served. These staff are responsible for functions such as client assessment, financial eligibility determination, development of cost-effective care plans, and monitoring the quality of care provided in residential settings. This item also includes \$1.3 million requested by the agency to continue operation of computerized systems which have been developed over the past several years to support client assessment, service authorization, and quality assurance functions. (Other Funds: General Fund-Federal)

**14. AAA Case Management** - Funding is provided for the Area Agencies on Aging (AAA) to provide care planning, service coordination, and quality oversight for the increased numbers of persons who are projected to receive home-based long term care during 1997-99. Additionally, funds are provided for an 11% increase in the ratio of case managers to persons served, beginning in April 1998. (Other Funds: General Fund-Federal)

**15. BHP Under-Enrollment** - The number of homecare workers receiving state-subsidized medical coverage through the Basic Health Plan (BHP) is now expected to average 1,200 in Fiscal Year 1998, and 1,600 in Fiscal Year 1999, rather than 3,800 and 4,300 as originally budgeted. This results in a reduction in Health Services Account expenditures from the level originally budgeted. However, because premiums for the non-subsidized BHP are higher than budgeted, additional general fund-state is required to cover the cost of BHP premiums for agency home care workers with incomes over 200% of poverty. (Other Funds: Health Services Account, General Fund Federal)

**16. Legal Immigrants SSI** - The original biennial budget included state funds to provide basic maintenance support for long-term care recipients who were to lose their federal Supplemental Security Income (SSI) benefits because they are not United States citizens. Because Congress subsequently restored their SSI eligibility, these state funds are no longer needed.

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Economic Services**

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	3,511.3	1,073,135	2,025,753
<b>1998 Supplemental Changes:</b>			
1. Administrative Reduction Transfer	-13.6	-691	-1,568
2. Vendor Rate Transfer	0.0	244	620
3. FMAP Change	0.0	295	0
4. GAU Caseload Savings	0.0	-49,334	-49,334
5. Transfer Quality Control Staff	-3.8	-206	-413
6. ECEAP program consolidation	0.0	-3,000	-3,000
Total Supplemental Items	-17.3	-52,692	-53,695
1997-99 Revised Appropriations	3,494.0	1,020,443	1,972,058

*Comments:*

In 1997, as part of welfare reform, the Legislature directed DSHS to provide grants to community action agencies and other community based organizations to help people on welfare become ready for employment and transition off public assistance. This budget assumes that \$5 million from the federal Temporary Assistance to Needy Families block grant will be used by the Department of Community Trade & Economic Development for WorkFirst grants to community action agencies or other local non-profit organizations.

**1. Administrative Reduction Transfer** - This reflects the share of the department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Economic Services program. (General Fund-State, General Fund-Federal)

**2. Vendor Rate Transfer** - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for DSHS as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in the Economic Services program (General Fund-State, General Fund-Federal)

**3. FMAP Change** - The Federal Matching Assistance Percentage (FMAP) is the rate at which expenditures for eligible services are reimbursed by the federal government. This item reflects the increase in the federal participation rate from 52.15 percent to 52.50 percent effective October 1, 1998. (General Fund-State, General Fund-Federal)

**4. GAU Caseload Savings** - Savings in the General Assistance-Unemployable (GAU) program are due primarily to legal immigrants who are eligible to remain on the federal Supplemental Security Income (SSI) program and will not transfer to the state GAU program as anticipated in the original 1997-99 biennial budget. Congress amended the federal welfare reform law to allow legal immigrants who were in the United States prior to August 22, 1996 to continue to receive SSI benefits. (General Fund-State)

**5. Transfer Quality Control Staff** - Quality control staff that review Medicaid eligibility and payments are transferred from Economic Services to Medical Assistance Administration as an efficiency measure. (General Fund-State, General Fund-Federal)

**6. ECEAP program consolidation** - Washington matches state funds for early childhood education drawing federal grants on behalf of eligible children through DSHS. Last year, Congress consolidated its child care support for states into a single block grant known as the Child Care Development Fund (CCDF). As an efficiency measure, a portion of the Early Children Education Assistance Program (ECEAP) funded through Economic Services is transferred to the Children's Administration. (General Fund-State)

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Alcohol & Substance Abuse**

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	95.7	28,800	182,827
<b>1998 Supplemental Changes:</b>			
1. Administrative Reduction Transfer	0.0	-8	-8
2. Vendor Rate Transfer	0.0	2,046	4,601
3. FMAP Change	0.0	-49	0
4. TASC Transfer	0.0	0	3,255
5. PSEA Shortfall	0.0	0	-45
Total Supplemental Items	0.0	1,989	7,803
1997-99 Revised Appropriations	95.7	30,789	190,630

*Comments:*

**1. Administrative Reduction Transfer** - This reflects the share of the department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Alcohol and Substance Abuse program. (General Fund-State)

**2. Vendor Rate Transfer** - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for DSHS as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in the Alcohol and Substance Abuse program. (General Fund-State, Violence Reduction & Drug Enforcement Account, General Fund-Federal)

**3. FMAP Change** - The Federal Matching Assistance Percentage (FMAP) is the rate at which expenditures for eligible services are reimbursed by the federal government. This item reflects the increase in the federal participation rate from 52.15 percent to 52.50 percent effective October 1, 1998. (General Fund-State, General Fund-Federal)

**4. TASC Transfer** - The Treatment Alternatives to Street Crime (TASC) program is transferred from the Office of the Administrator for the Courts to DSHS effective July 1, 1998. (Public Safety & Education Account)

**5. PSEA Shortfall** - Funding is reduced to reflect a revenue shortfall in the Public Safety and Education Account.

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Medical Assistance Payments**

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	805.2	1,368,918	3,888,523
<b>1998 Supplemental Changes:</b>			
1. Administrative Reduction Transfer	-5.2	-154	-596
2. Vendor Rate Transfer	0.0	9,620	22,328
3. FMAP Change	0.0	-4,998	0
4. Correct FMAP Double-Count	0.0	4,915	0
5. Enhanced Federal Match	0.8	8	3,960
6. Medicare Collections	0.0	-1,096	-2,286
7. Transfer Quality Control Staff	3.8	206	413
8. Increased Disproportionate Share	0.0	-39,529	132,837
9. Caseload Changes	0.0	-6,472	-25,634
10. Cost per Case Changes	0.0	-2,406	-7,576
11. Special Program Forecast Changes	0.0	-5,028	-15,011
12. Forecast Errata	0.0	22,735	0
13. Forecast Contingencies	0.0	1,468	3,085
Total Supplemental Items	-0.7	-20,731	111,520
1997-99 Revised Appropriations	804.5	1,348,187	4,000,043

*Comments:*

**1. Administrative Reduction Transfer** - This reflects the share of the department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Medical Assistance Administration. (Other Funds: General Fund-Federal)

**2. Vendor Rate Transfer** - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for DSHS as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in the Medical Assistance Administration. (Other Funds: Health Services Account, General Fund-Federal)

**3. FMAP Change** - The Federal Medical Assistance Percentage (FMAP) at which the federal government matches state Medicaid expenditures is increasing to 52.50 percent effective October 1, 1998, resulting in a general fund-state savings compared to the 52.15 percent originally budgeted for 1997-99. (Other Funds: General Fund-Federal)

**4. Correct FMAP Double-Count** - In the Administration's original budget proposal, the state savings resulting from the increased federal matching rate were counted both in the "FMAP Change" step above, and also in the "Forecast Change" step below. This item controls for the double-count. (Other Funds: General Fund-Federal)

**5. Enhanced Federal Match** - The federal government has made \$10.4 million of increased federal matching funds available for state medicaid administrative activities related to the transition from the old to the new welfare eligibility standards. This item provides \$3.95 million of that increased funding for local health departments and community-based organizations to conduct eligibility outreach and education activities. These will include informing people of their potential medicaid eligibility, assisting them in applying for medicaid coverage, and assisting them in the selection of a managed care plan and primary care provider. (Other Funds: General Fund-Federal)

**6. Medicare Collections** - The Medical Assistance Administration estimates it can reduce medicaid expenditures by \$95,000 per month by adding three clerk positions to assure that Medicare eligibility is properly coded in agency computer systems. (Other Funds: General Fund-Federal)

**7. Transfer Quality Control Staff** - DSHS has transferred responsibility for Medicaid eligibility quality control from the department's Economic Services Administration to its Medical Assistance Administration. This item transfers the budget and staff to support this function. (Other Funds: General Fund-Federal)

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Medical Assistance Payments**

**8. Increased Disproportionate Share** - The amount of general fund-state spending which can be offset through the federal Disproportionate Share Hospital (DSH) program has increased from the amounts originally budgeted for 1997-99 due to (1) a one-time claim in September 1998 associated with a capital construction project at Harborview Medical Center; (2) a new program through which federal payments are being collected for uncompensated care costs at border-area hospitals which serve Washington residents; and (3) federal payments for increased uncompensated care costs which have been documented at Harborview and the UW Medical Center. (Other Funds: General Fund-Federal; General Fund-Local)

**9. Caseload Changes** - The number of persons covered by medical assistance programs is expected to average 744,000 in FY 98, and 779,000 in FY 99. This is approximately 1% less than the number originally budgeted for FY 98, and 1% more than the number originally budgeted for FY 99. Due to the effects of the Workfirst welfare reform, the number of adults and children covered by medicaid because of eligibility for state income assistance programs is projected to decrease by 43,000 (14%) from the level originally budgeted for FY 99. Because of federal restrictions on eligibility for Supplemental Security Income (SSI), the number of disabled recipients covered by medicaid is expected to increase to 107,000 in FY 99, which is 6% fewer people than originally budgeted. These caseload decreases are offset by continued rapid enrollment growth among children with family incomes below 200% of poverty who are not on welfare. An average of 310,000 such children are expected to be covered by medicaid in FY 99, which is 47,000 (18%) more than originally budgeted. (Other Funds: General Fund-Federal)

**10. Cost per Case Changes** - On average, costs per eligible person are now expected to be slightly lower than the level originally budgeted for 1997-99. Costs per covered person are expected to grow slower than total health care inflation for most eligibility groups, for both years of the biennium. While managed care rates are increasing an average of 4.8% in 1998, compared to 2.8% growth in total health care inflation, the cost of this rate increase has been offset by the fact that the eligible population is younger than originally projected, and consequently less expensive to serve. DSHS and the Legislature continue to expect managed care rates to increase by no more than 2% in 1999. (Other Funds: General Fund-Local)

**11. Special Program Forecast Changes** - This item reflects an increase in the number of persons eligible for medicaid match on their Medicare Part B premiums; corrects an over-estimate in the original biennial forecast of state and federal expenditures on family planning and refugee health services; and corrects an under-estimate in the original forecast of expenditures on the federally-funded Indian Health program. (Other Funds: General Fund Federal)

**12. Forecast Errata** - Because of a programming error in the forecast model, the amount of state funding required to fund Medical Assistance programs is \$22.7 million higher than anticipated in the administration's original supplemental budget proposal. (Other Funds: General Fund-Federal)

**13. Forecast Contingencies** - A contingency appropriation is provided in the event that the federal government does not approve the state's request to charge non-disabled adult welfare recipients a \$10 monthly co-premium for their medicaid coverage. The appropriation may only be used to the extent that the waiver is not approved, and the cost cannot be covered through under-expenditures in other parts of the medical assistance program. (Other Funds: General Fund-Federal)

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Vocational Rehabilitation**

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	337.4	17,244	99,690
<b>1998 Supplemental Changes:</b>			
1. Administrative Reduction Transfer	-1.0	-18	-97
2. Vendor Rate Transfer	0.0	40	40
3. Social Service Block Grant Decrease	0.0	383	0
Total Supplemental Items	-1.0	405	-57
1997-99 Revised Appropriations	336.4	17,649	99,633

*Comments:*

**1. Administrative Reduction Transfer** - This reflects the share of the department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Vocational Rehabilitation program. (Other Funds: General Fund-Federal)

**2. Vendor Rate Transfer** - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for DSHS as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in the Vocational Rehabilitation program. (Other Funds: General Fund-Federal)

**3. Social Service Block Grant Decrease** - Congress has reduced federal funding for the Social Services Block Grant (SSBG) for Federal Fiscal Year 1998. This item replaces the federal reduction with state funding so that services funded through the block grant can be maintained at their current level. Any reductions in the federal fiscal year 1999 block grant amount will be considered as part of the 1999 supplemental. (Other Funds: General Fund-Federal)



**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Administration/Support Svcs**

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	654.7	48,528	89,150
<b>1998 Supplemental Changes:</b>			
1. Administrative Reduction Transfer	51.0	2,861	5,435
2. Regulatory Reform	1.0	192	323
3. Vendor Overpayment Recovery Act	0.0	-19	-39
Total Supplemental Items	52.0	3,034	5,719
1997-99 Revised Appropriations	706.7	51,562	94,869

*Comments:*

**1. Administrative Reduction Transfer** - The original biennial budget directed the department to reduce administrative functions by \$5.8 million (\$3.0 million state) providing discretion to the agency to reduce administrative functions across various programs, or to reduce its central administrative office budget. This item corrects appropriations for the Administration and Supporting Services program for administrative reductions made by other DSHS programs. This division's share of the department-wide administrative reduction is \$424,000 (\$185,000 state). (General Fund-State, General Fund-Federal)

**2. Regulatory Reform** - Funding is provided to implement E2SHB 2345 (regulatory reform). The bill makes several changes to the Administrative Procedures Act relating to rule making, review and notification. (General Fund-State, General Fund-Federal)

**3. Vendor Overpayment Recovery Act** - HB 2346 makes the legal remedies and dispute resolution for recovery of vendor overpayments the same as the process now used for public assistance benefits and child support orders. The expense of administrative hearings is offset, each year, by savings realized through lower net vendor cost requirements for DSHS. (General Fund-State, General Fund-Federal)

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Child Support Services**

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	1,369.9	41,999	220,945
<b>1998 Supplemental Changes:</b>			
1. Administrative Reduction Transfer	-5.0	-224	-642
2. Incentive Pay Forecast Update	0.0	534	0
Total Supplemental Items	-5.0	310	-642
1997-99 Revised Appropriations	1,364.9	42,309	220,303

*Comments:*

**1. Administrative Reduction Transfer** - This reflects the share of the department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Child Support Services program. (General Fund-State, General Fund-Federal)

**2. Incentive Pay Forecast Update** - Incentive pay from the federal government based on child support collections is projected to decline slightly in the November 1997 forecast. (General Fund-State, General Fund-Private/Local)

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Payments to Other Agencies**

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	0.0	94,949	153,032
<b>1998 Supplemental Changes:</b>			
1. Vendor Rate Transfer	0.0	-45,728	-84,876
2. Attorney General Tort Defense	0.0	750	750
3. Child Abuse & Treatment Act	0.0	113	144
Total Supplemental Items	0.0	-44,865	-83,982
1997-99 Revised Appropriations	0.0	50,084	69,050

*Comments:*

**1. Vendor Rate Transfer** - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum in this program for DSHS as a whole. This item transfers the share of that total appropriation which will actually be used for vendor rate increases to other programs. In addition, a technical adjustment save the state general fund \$539,000. (General Fund-State, Violence Reduction & Drug Enforcement Account, Health Services Account, General Fund-Federal)

**2. Attorney General Tort Defense** - Funding is provided for Attorney General tort defense costs due to a significant increase in lawsuits involving child welfare and child placement activities. (General Fund-State)

**3. Child Abuse & Treatment Act** - Funds are provided for the creation of a fair hearing process and accelerated permanency planning for teenage children in foster care to meet new federal standards under CAPTA (the Child Abuse, Prevention and Treatment Act of 1996) and AFSA (the Adoption and Safe Families Act of 1997). Appropriations to this program allow the department to reimburse the Office of Administrative Hearings and the Office of the Attorney General for services. (General Fund-State, General Fund-Federal)

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Social and Health Services**  
**Information System Services**

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	179.0	0	0
<b>1998 Supplemental Changes:</b>			
1. Administrative Reduction Transfer	-8.0	0	0
Total Supplemental Items	-8.0	0	0
1997-99 Revised Appropriations	171.0	0	0

*Comments:*

This reflects the share of the department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Information Services System program.

**1. Administrative Reduction Transfer** - This reflects the share of the department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Information Services System program.

**1997-99 Revised Budget (1998 Supp)**  
**Columbia River Gorge Commission**Wednesday, Mar. 11, 1998  
7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	2.3	435	870
<b>1998 Supplemental Changes:</b>			
1. Adjust to Oregon Fund Level	0.0	0	7
Total Supplemental Items	0.0	0	7
1997-99 Revised Appropriations	2.3	435	877

*Comments:*

**1. Adjust to Oregon Fund Level** - A technical adjustment is made in the agency's private/local authority to reflect the amount of funds actually appropriated by the state of Oregon for the Commission's operations. (General Fund-Private/Local)

**1997-99 Revised Budget (1998 Supp)**  
**Department of Ecology**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	1,444.2	51,873	248,209
<b>1998 Supplemental Changes:</b>			
1. Watershed Management	8.0	1,100	1,100
2. Dairy Waste Management	2.8	400	400
3. Grass Seed Burning Research	0.0	0	29
4. Increase Private/Local Authority	0.0	0	557
5. Marine Information System	0.0	0	40
6. Additional Federal Authority	0.0	0	925
7. Programmatic Adjustments	0.0	0	-1,319
8. Pine Hollow Study	0.0	300	300
9. Wetlands Mitigation Banking	1.1	196	196
10. Regulatory Reform	0.5	24	60
11. Fertilizer Regulation	0.7	0	417
12. Water Rights	1.1	200	200
13. Watershed Management Grants	0.0	-5,000	-5,000
14. Watershed Planning Grants	0.0	3,900	3,900
15. Underground Storage Tank Program *	1.1	0	195
Total Supplemental Items	15.3	1,120	2,000
1997-99 Revised Appropriations	1,459.5	52,993	250,209

*Comments:*

**1. Watershed Management** - Funding is provided for 16 FTE staff to provide technical assistance to local watershed planning groups established in accordance with SHB 2514 (Integrated Watershed Management).

**2. Dairy Waste Management** - Funding is provided to implement SSB 6161, related to dairy nutrient management. Five inspectors will be added to carry out permitting and inspection activities and to establish and administer a dairy database.

**3. Grass Seed Burning Research** - An adjustment is made in the appropriation authority for the Grass Seed Burning Research Account. The Department of Ecology will contract with Washington State University for additional research to identify economically feasible alternatives to grass seed burning in Eastern Washington. (Special Grass Seed Burning Research Account)

**4. Increase Private/Local Authority** - The Department of Ecology has received additional funding from outside sources to complete various projects. Authority is provided to allow expenditure of these funds. Some of the types of projects to be completed include a water quality study of Budd Inlet, education and research activities at Padilla Bay, and water quality studies related to forest management activities. (General Fund-Private/Local)

**5. Marine Information System** - The Marine Information System is a vessel information and risk analysis system developed by the Office of Marine Safety and private industry. The final components of the system, including expanded vessel ownership information and historical enforcement tracking, will be completed. (Oil Spill Administration Account)

**6. Additional Federal Authority** - The Department of Ecology has received additional federal funding for three specific projects to be allocated in the following manner: \$600,000 for DOE to integrate its information systems; \$250,000 for grants and contracts to local governments and non profits to support pollution prevention in the Lake Whatcom and Whatcom creek watersheds; and, \$75,000 for a pass through to the Pacific Northwest Pollution Prevention Research Center to support a pollution prevention newsletter and their pollution prevention resource network. (General Fund-Federal)

**7. Programmatic Adjustments** - Several of the Department of Ecology's programs are reduced as a result of revenue shortfalls. (Vehicle Tire Recycling Account, Wood Stove Education and Enforcement Account, Solid Waste Management Account, Air Operating Permit Account)

**1997-99 Revised Budget (1998 Supp)**  
**Department of Ecology**

Wednesday, Mar. 11, 1998  
7:07 pm

**8. Pine Hollow Study** - Funding is provided to conduct a preconstruction analysis of Pine Hollow regarding its suitability as a site for a retainment dam and water storage reservoir. The analysis shall include, but is not limited to, an analysis of the geology and hydrology of the site and appropriate dam design and dynamics, its impact on water-related issues, and its impact on the Yakama Indian Nation and others water rights.

**9. Wetlands Mitigation Banking** - Funding is provided for staff to develop rules regarding certification and operation of wetlands mitigation banks, including determination and release of mitigation credits, in accordance with SHB 2339 (Wetlands Mitigation Banking).

**10. Regulatory Reform** - Funding is provided to implement ESHB 2345 (Regulatory Reform). The bill makes several changes to the Administrative Procedures Act relating to rule making; rules review; and information and notification regarding rules, policy and interpretive statements. (General Fund-Federal, Water Quality Permit, Air Pollution Control)

**11. Fertilizer Regulation** - Funding is provided to implement SSB 6474, regulating fertilizers. Department of Ecology responsibilities include a study of the presence of dioxins in soils and fertilizers, and review of applications for registration of waste-derived fertilizers (Local Toxics Control Account).

**12. Water Rights** - Funding is provided to implement ESSB 5703 (Water Rights for Beneficial Uses) which reopens the water right claim filing period for existing beneficial uses.

**13. Watershed Management Grants** - The Governor vetoed section 302 (4) which provided \$5 million for grants to local watershed planning groups contingent upon enactment of specific sections of 2SHB 2054 (Water Resource Planning). The Governor has been enjoined against spending this appropriation pending resolution of a lawsuit.

**14. Watershed Planning Grants** - Funding is provided for grants to local watershed planning groups established in accordance with SHB 2514 (Integrated Watershed Management).

**15. Underground Storage Tank Program \*** - Funding is provided to implement SSB 6130 (Underground Storage Tank Reauthorization) , extending the Underground Storage Tank program beyond its July 1999 sunset date. This legislation also includes an increase in the annual tank licensing fee. (Underground Storage Tank Account)

**1997-99 Revised Budget (1998 Supp)**  
**WA Pollution Liab Insurance Program**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	9.1	0	2,054
<b>1998 Supplemental Changes:</b>			
1. Legal Costs	0.0	0	100
Total Supplemental Items	0.0	0	100
1997-99 Revised Appropriations	9.1	0	2,154

*Comments:*

**1. Legal Costs** - As a result of a recent Washington Supreme Court ruling, the Pollution Liability Insurance Agency will pursue recovery of reinsurance funds spent on groundwater cleanup. New funding covers investigation as well as legal representation and associated costs. (Pollution Liability Insurance Program Trust Account)



**1997-99 Revised Budget (1998 Supp)**  
**State Parks and Recreation Comm**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	563.8	40,861	72,572
<b>1998 Supplemental Changes:</b>			
1. PRSA Investment Authority	2.0	0	550
2. CAMA Beach Caretaker	0.5	114	114
3. Headquarters Lease Increase	0.0	109	109
4. Health and Safety Maintenance	1.0	0	694
5. Snowmobile Program Expansion	0.3	0	950
6. Northwest Avalanche Center Grant	0.0	0	40
Total Supplemental Items	3.8	223	2,457
1997-99 Revised Appropriations	567.6	41,084	75,029

*Comments:*

**1. PRSA Investment Authority** - An adjustment is made in the appropriation authority for the Parks Renewal and Stewardship Account (PRSA) to reflect anticipated revenues from two specific programs: the Environmental Interpretation program and overnight accommodations at Fort Worden. (Parks Renewal and Stewardship Account)

**2. CAMA Beach Caretaker** - Funding is provided for a full-time ranger to coordinate park development activities, work with interest groups, respond to fire emergencies, provide security, and organize and supervise volunteers. Funding was provided in the 97-99 budget for operating impacts of capital projects.

**3. Headquarters Lease Increase** - Funding is provided for increased lease payments necessary to upgrade the heating and ventilation system and repair roof leaks at the existing facility.

**4. Health and Safety Maintenance** - Funding is provided to address the most critical health and safety issues at state parks. Projects include replacing shower meters and electrical systems, and repairing water and sewer systems. One-time federal funds from fire mobilization reimbursements are available for these projects. (General Fund-Federal)

**5. Snowmobile Program Expansion** - Funding is provided for replacement of grooming equipment and trail grooming in snowmobile areas across the state. (Snowmobile Account)

**6. Northwest Avalanche Center Grant** - Funding is provided for operation of the Northwest Avalanche Center. It is funded by a variety of federal, state, and private sources. (Snowmobile Account, Winter Recreation Account)

**1997-99 Revised Budget (1998 Supp)**  
**Interagency Comm for Outdoor Rec**Wednesday, Mar. 11, 1998  
7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	20.1	0	2,988
<b>1998 Supplemental Changes:</b>			
1. National Recreational Trails	0.0	0	11
Total Supplemental Items	0.0	0	11
1997-99 Revised Appropriations	20.1	0	2,999

*Comments:*

**1. National Recreational Trails** - Funding is provided from a federal grant to administer the U.S. Department of Transportation's National Recreational Trails program. (General fund Federal)

**1997-99 Revised Budget (1998 Supp)**  
**State Conservation Commission**

Wednesday, Mar. 11, 1998  
7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	7.5	1,678	2,118
<b>1998 Supplemental Changes:</b>			
1. Conservation Reserve Program	1.0	1,000	1,000
2. Dairy Nutrients	2.0	200	200
3. Watershed Assessments	0.0	800	800
4. Volunteer Initiative	0.0	1,000	1,000
Total Supplemental Items	3.0	3,000	3,000
1997-99 Revised Appropriations	10.5	4,678	5,118

*Comments:*

**1. Conservation Reserve Program** - Funding is available through the U.S. Department of Agriculture (USDA) for the protection and restoration of riparian zones to benefit salmon and improve water quality. The USDA would provide technical assistance and pay for 15-year riparian leases. The necessary state match of \$6 million per year for four years covers technical assistance and restoration projects. Funding is provided in the operating budget for technical assistance to assist individual landowners in designing restoration projects that meet federal requirements. This funding will be passed through to local conservation districts. The state cost share for restoration projects is provided in the capital budget.

**2. Dairy Nutrients** - Funding is provided for local conservation districts to provide technical assistance to dairy farmers in accordance with SSB 6161 (Dairy Nutrient Management).

**3. Watershed Assessments** - Funding is provided for watershed assessments to assist regional salmon recovery groups identify limiting factors for salmonids in accordance with SHB 2496 (Salmon Recovery Plan).

**4. Volunteer Initiative** - Funding is provided to implement a pilot volunteer initiative to train volunteers, do public outreach and education, and encourage landowners and land managers to use volunteers for salmon habitat improvements.

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Fish and Wildlife**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	1,632.0	72,227	250,808
<b>1998 Supplemental Changes:</b>			
1. Big Game Raffle Authority	0.0	0	250
2. Columbia River Enforcement Officers	0.0	0	-1,878
3. License Buy Back Program	0.8	1,170	4,670
4. Deer and Elk Damage Claims	0.0	250	250
5. Fish Passage Barriers	2.5	450	450
6. Independent Science Team	0.0	50	50
7. Salmon Restoration Projects	0.0	3,500	4,250
8. Watershed Assessments/ESU	0.0	700	700
9. Regulatory Reform	0.5	70	70
10. Remote Site Incubators	3.0	393	393
11. Mass Marking of Chinook	0.0	1,000	1,625
12. Recreational License Database	0.0	1,000	1,000
13. PSEA Shortfall	0.0	0	-4
14. Nonindigenous Aquatic Species	0.3	45	45
15. Wildlife Fund Shortfall	-47.0	0	-7,500
Total Supplemental Items	-40.0	8,628	4,371
1997-99 Revised Appropriations	1,592.0	80,855	255,179

*Comments:*

**1. Big Game Raffle Authority** - Authority is provided to expend greater than expected revenue collected from auctions and raffles in the 1997-99 Biennium. The revenue is dedicated to wildlife conservation purposes. (State Wildlife Account-State).

**2. Columbia River Enforcement Officers** - The Bonneville Power Administration, at the recommendation of the Northwest Power Planning Council, has eliminated federal grants to the state for enforcement officers on the Columbia River. (General Fund-Federal)

**3. License Buy Back Program** - The federal supplemental budget for Federal Fiscal Year 1997 included \$3.5 million to continue a commercial salmon license buy back program. This program allows salmon fishermen the opportunity to sell their licenses back to the state and exit from salmon fisheries. Unlike previous buy back programs, a 25 percent state match is required to access these funds. (General Fund-State, General Fund-Federal)

**4. Deer and Elk Damage Claims** - Funding is provided for unanticipated deer and elk damage claims. The winter of 1996-97 was one of the most difficult on deer and elk populations in decades. Despite extensive feeding efforts by the state, damage to commercial crops from deer and elk was significant.

**5. Fish Passage Barriers** - Funding is provided to the Department to provide engineering and design review assistance to local governments and regional fisheries enhancement groups and to contract with the Department of Transportation to train additional engineers that can provide engineering and design review assistance to local governments and regional fisheries enhancement groups for fish passage barrier removal.

**6. Independent Science Team** - Funding is provided to create the independent science panel authorized in ESHB 2496 (Salmon Recovery Plan). The panel will review regional salmon recovery plans at the request of the Governor.

**7. Salmon Restoration Projects** - Funding is provided to the Department of Fish and Wildlife to provide salmon habitat restoration project grants to local entities according to the process established in ESHB 2496 (Salmon Recovery Planning).

**8. Watershed Assessments/ESU** - Funding is provided for grants to regional lead entities for administrative activities, development of habitat project lists, and limiting factors analysis in accordance with SHB 2496 (Salmon Recovery Plan).

**1997-99 Revised Budget (1998 Supp)**  
**Dept of Fish and Wildlife**

Wednesday, Mar. 11, 1998  
7:07 pm

**9. Regulatory Reform** - Funding is provided to implement ESSHB 2345 (Regulatory Reform). The bill makes several changes to the Administrative Procedures Act relating to rule making; rules review; and information and notification regarding rules, policy and interpretive statements.

**10. Remote Site Incubators** - Funding is provided for the Department of Fish and Wildlife to develop a remote site incubator program to implement SSB 6324 (Fish Remote Site Incubator).

**11. Mass Marking of Chinook** - Funding is provided for the mass marking of hatchery chinook in accordance with 2SSB 6264 (Chinook Salmon Mass Marking). The mass marking will be jointly funded by state, federal, and private entities. (General Fund - State, General Fund - Federal, General Fund - Local)

**12. Recreational License Database** - Funding is provided for the purchase and development of a recreational license database to facilitate the license reorganization in SSB 6330 (Fish & Wildlife Licenses).

**13. PSEA Shortfall** - Funding is reduced to reflect a revenue shortfall in the Public Safety and Education account. (Public Safety and Education Account)

**14. Nonindigenous Aquatic Species** - Funding is provided for a task force in accordance with SSB 6114 (Nonindigenous Aquatic Species), which authorizes the Department to develop recommendations to prevent the spread of zebra mussels and green crabs.

**15. Wildlife Fund Shortfall** - Appropriation authority and staff are reduced for programs that receive funds from the wildlife account due to a revenue shortfall. The Department must propose an expenditure reduction plan to the Legislature by April 17, 1998. No more than \$500,000 will be reduced from supporting hatcheries production, and no more than four enforcement officers will be cut.

**1997-99 Revised Budget (1998 Supp)**  
**Department of Natural Resources**

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	1,579.2	47,935	240,112
<b>1998 Supplemental Changes:</b>			
1. GIS Inventory	0.0	117	117
2. Mobile Radio Replacement	0.0	0	750
3. Regulatory Reform	1.0	75	150
4. Aquatic Land Lease Rate Study	0.3	0	71
5. Finfish Net-Pen Aquaculture Study	0.3	50	50
6. Spartina Eradication	0.0	0	50
Total Supplemental Items	1.6	242	1,188
1997-99 Revised Appropriations	1,580.8	48,177	241,300

*Comments:*

- 1. GIS Inventory** - Funding is provided for a GIS inventory of Washington sand, gravel, and construction rock resources.
- 2. Mobile Radio Replacement** - Funding is provided for radio equipment compatible with the new Federal Communications Commission's (FCC) regulations. Equipment will be purchased for areas where failure to convert to the new channels within one year may result in loss of channel licenses, and demonstrated usage of new radio communication channels is necessary to preserve these licenses. (Natural Resources Equipment Account)
- 3. Regulatory Reform** - Funding is provided to implement E2SHB 2345 (regulatory reform). The bill makes several changes to the Administrative Procedures Act relating to rule making, review and notification.
- 4. Aquatic Land Lease Rate Study** - Funding is provided to implement SB 6156 (State Aquatic Lands Leases), requiring the Department of Natural Resources to study methods for calculating water-dependent lease rates on state-owned aquatic lands.
- 5. Finfish Net-Pen Aquaculture Study** - Funding is provided for a study of potential finfish netpen aquaculture sites along the Strait of Juan de Fuca and the Pacific Coast.
- 6. Spartina Eradication** - Funding is provided for a field study of the effectiveness of certain biological control methods at the eradication of spartina.

**1997-99 Revised Budget (1998 Supp)**  
**Department of Agriculture**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	718.7	14,604	78,338
<b>1998 Supplemental Changes:</b>			
1. Asian Gypsy Moth	5.0	421	782
2. Lease and Tenant Improvements	0.0	720	1,884
3. Fertilizer Safety Study	0.0	0	258
4. Livestock Identification Program *	0.0	95	190
5. Regulatory Reform	0.5	50	50
Total Supplemental Items	5.5	1,286	3,164
1997-99 Revised Appropriations	724.2	15,890	81,502

*Comments:*

**1. Asian Gypsy Moth** - Projects to eradicate infestations of Asian Gypsy Moths will be carried out in the spring of 1998. Infestations of this extremely destructive insect are identified through a trapping program, with eradication projects implemented the following spring. (General Fund-State, General Fund-Federal)

**2. Lease and Tenant Improvements** - In order to address deficiencies with existing leased space in Yakima, the Department's chemical, hop, and seed laboratories, as well as offices for various other agency programs, will be moving to new space in the spring of 1998. Funding covers the increased lease costs of this co-located facility, as well as one-time tenant improvement costs. In addition, the Olympia Microbiology Laboratory facility experienced a 15.5 percent lease increase November 1, 1997. Of the total general fund amount, \$646,000 is one-time funding. (General Fund-State, Agricultural Local Account-Nonappropriated)

**3. Fertilizer Safety Study** - Funding is provided for a study of plant uptake of heavy metals, authorized in SSB 6474 (Fertilizer Regulation Act).

**4. Livestock Identification Program \*** - A one-time General Fund-State appropriation of \$95,000 is deposited in the Livestock Identification Account, to implement ESSB 6204 (Livestock Identification) .

**5. Regulatory Reform** - Funding is provided to implament ESHB 2345 (Regulatory Reform). The bill makes several changes to the Administrative Procedures Act relating to rule making; rules review; and information and notification regarding rules, policy and interpretive statements.

**1997-99 Revised Budget (1998 Supp)**  
**Washington State Patrol**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	258.6	15,562	37,125
<b>1998 Supplemental Changes:</b>			
1. Background Checks	0.0	0	138
2. WACIC/WASIS Federal Grant Match	0.0	665	665
3. Narcotics Grant Match	0.0	0	454
4. Fire Training Academy	3.8	0	533
5. Data Center	0.0	1,054	1,054
6. Executive Protection	1.8	241	241
7. Transfer Certain Programs to GFS	17.8	12,386	12,386
8. PSEA Shortfall	0.0	137	-32
9. HIDTA Unanticipated Receipt	0.0	0	1,621
10. NCIC Unanticipated Receipt	0.0	0	173
11. Sex Offender Registration #	0.2	58	58
Total Supplemental Items	23.4	14,541	17,291
1997-99 Revised Appropriations	282.0	30,103	54,416

*Comments:*

**1. Background Checks** - Funding is provided to support on-going background checks of school district employees through the Superintendent of Public Instruction (OSPI). To support the increased appropriation, fees charged to persons being checked as a condition of their employment will need to be increased. The budget authorizes the State Patrol to increase these fees by no more than six dollars. (Fingerprint Identification Account)

**2. WACIC/WASIS Federal Grant Match** - Funding is provided to complete changes to the WACIC (criminal history) and WASIS (hot file items such as warrants) systems which, among other goals, will ensure Year 2000 compliance. These system modifications are also supported by \$3 million in federal funds.

**3. Narcotics Grant Match** - The Washington State Patrol (WSP) receives an annual share of the federal Bureau of Justice Administration (Byrne) Grant. Funding is provided to support the required 33 percent state match. In the future, non-appropriated drug seizure accounts are expected to support the matching requirement. (Violence Reduction and Drug Enforcement Account, Controlled Substances Non-Appropriated Account)

**4. Fire Training Academy** - The Fire Training Academy has entered into a contract to train firefighters from the United States Navy. The contract is supported by fees which offset the full cost of providing access to the Academy. Additional expenditure authority is provided to support the contracted services. (Fire Service Training Account)

**5. Data Center** - The WSP has operated its own data center since the 1970s. The data center supports several criminal justice systems including WACIC (criminal history) and WASIS (hot file items such as warrants). In 1990, the Department of Corrections (DOC) transferred their system from the Department of Information Services (DIS) to WSP. In 1997, DOC transferred their system back to DIS citing performance, cost and long term planning concerns. When that transfer was made, the operating budget recognized \$1.1 million in savings resulting from a combination of the transfer and a subsequent DIS rate reduction.

Losing DOC as a customer left WSP unable to cover part of their fixed costs such as staff, facilities and software maintenance. Funding is provided at a level which supports current operations. Funding for the data center is shared between the operating and transportation budgets.

**6. Executive Protection** - Additional cadet staffing is provided to improve security coverage of the Governor's mansion and to mitigate overtime requirements of traveling and attending events with the Governor, his family, and the Lieutenant Governor.



**1997-99 Revised Budget (1998 Supp)**  
**Washington State Patrol**Wednesday, Mar. 11, 1998  
7:07 pm

**7. Transfer Certain Programs to GFS** - Certain programs and portions of programs within the State Patrol were historically funded in the operating budget. In the 1993-95 Biennium, funding responsibility for many of these programs were transferred to the transportation budget. The operating budget assumes funding responsibility for these programs along with portions of two new programs, communications and electronic services, beginning in fiscal year 99. Similar transfers occur in the Department of Community, Trade and Economic Development and the Office of Financial Management.

**8. PSEA Shortfall** - Funding is reduced to reflect a shortfall in the Public Safety and Education Account (PSEA). A portion of the reduction is offset with an increase in General Fund-State funding.

**9. HIDTA Unanticipated Receipt** - Additional federal funding is provided for narcotics enforcement. The funding is available as a result of the federal High Intensity Drug Trafficking Area (HIDTA) designation. (General Fund-Federal)

**10. NCIC Unanticipated Receipt** - Additional federal funding is provided for improving and upgrading the state's criminal justice information systems. This funding, along with other federal and state funding, will provide for the changes and improvements to the WACIC (criminal history) and WASIS (hot file items such as warrants) systems. (General Fund-Federal)

**11. Sex Offender Registration #** - Funding is provided for the implementation of the HB 1172, which makes a variety of changes to sex offender registration requirements and brings Washington statutes into conformance with the federal Jacob Wetterling Act.

**1997-99 Revised Budget (1998 Supp)**  
**Department of Licensing**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	207.7	8,945	31,602
<b>1998 Supplemental Changes:</b>			
1. Overhead Realignment	0.0	273	-88
2. Cosmetology Advisory Board #	0.0	110	110
3. Cosmetology Inspections	0.5	75	75
Total Supplemental Items	0.5	458	97
1997-99 Revised Appropriations	208.2	9,403	31,699

*Comments:*

**1. Overhead Realignment** - The Department has re-assessed the overhead billings applied to each program area. This item is an adjustment to the Department's appropriations based upon the new overhead allocation. (General Fund-State, Architects' License Account, Cemetery Account, Professional Engineers' Account, Real Estate Commission Account, Master License Account, Uniform Commercial Code Account, Motorcycle Safety Education Account, State Wildlife Account, Highway Safety Account, Motor Vehicle Fund, Funeral Directors and Embalmers Account, Transportation Account)

**2. Cosmetology Advisory Board #** - Funding is provided for SSB 6507, which permanently extends the Cosmetology, Barbering, Esthetics and Manicuring Advisory Board.

**3. Cosmetology Inspections** - Chapter 178, Laws of 1997 (SB 5997) required the department to conduct additional inspections of cosmetology, barbering, esthetics and manicuring schools, salons or shops. Additional funding is provided to fully implement these inspection requirements.

**1997-99 Revised Budget (1998 Supp)**  
**Public Schools**  
**OSPI & Statewide Programs**

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	235.5	60,833	157,195
<b>1998 Supplemental Changes:</b>			
1. Reduce 4th Grade Testing Burden #	0.0	375	375
2. Staff/Background Investigations	1.5	0	0
3. Instructional Materials	0.0	-179	-179
4. Offenders Prosecuted as Adults	1.0	115	115
5. Pt Angeles Skill Center	0.0	50	50
6. Data Processing Grant	0.0	400	400
7. Successful Readers Program	0.0	17,000	17,000
Total Supplemental Items	2.5	17,761	17,761
1997-99 Revised Appropriations	238.0	78,594	174,956

*Comments:*

**1. Reduce 4th Grade Testing Burden #** - Funding is provided to implement 2SHB 2849, which addresses the issue of testing elementary school students. Fourth graders are tested as many as three times during the school year including a standardized statewide test. Under the bill, the fourth grade standardized test is moved to the third grade. Students testing substantially below grade level in reading will be re-tested.

**2. Staff/Background Investigations** - The Superintendent of Public Instruction may retain three staff (previously temporary staff) to handle the backlog of clerical work that is necessary for investigations of background checks and charges of unprofessional conduct of school staff. Funding for the staff is expected to come from increased fees collected by the Washington State Patrol to conduct background and fingerprint checks.

**3. Instructional Materials** - The 1997 budget provided \$20.82 per student in the 1998-99 school year for school instructional materials. Since enrollment is lower than anticipated the cost of this program is reduced by \$179,000. Individual teachers will determine how the funds will be expended.

**4. Offenders Prosecuted as Adults** - Funding is provided to implement ESSB 6600 requiring a study of the educational status and needs of juvenile offenders prosecuted as adults and incarcerated in state correctional facilities and county jails. Also, as a result of the studies, recommendations on appropriate educational programs will be provided to the Legislature as required in this bill.

**5. Pt Angeles Skill Center** - Funding is provided for a skills center at Pt. Angeles contingent on meeting standards for skills centers to be developed by the Office of Superintendent of Public Instruction.

**6. Data Processing Grant** - Matching funds are provided for improving the financial and student data base capabilities of the Washington School Information Processing Cooperative. The funding is provided on the condition that at least 267 school districts remain members of the cooperative.

**7. Successful Readers Program** - Funding is provided to implement E2SB 6509 (reading instruction training). Various strategies will be employed to help improve reading in elementary schools including: \$9,000,000 for inservice training and related instructional materials; and \$8,000,000 for programs with teacher training of volunteer tutors and mentors and other components as required in E2SB 6509.

The superintendent is directed to conduct a study and make recommendations to the 1999 legislature on a definition of and standards for skills centers by November 25, 1998.

The superintendent is directed to prepare a study comparing the state's administrative and regulatory requirements for special education with the requirements of federal law.

**1997-99 Revised Budget (1998 Supp)**  
**Public Schools**  
**General Apportionment**

	FTEs	Conference GF-S	Total
1997-99 Original Appropriations	0.0	6,940,884	6,940,884
<b>1998 Supplemental Changes:</b>			
1. Enrollment/Workload Changes	0.0	-46,600	-46,600
2. Staff Ratio Impacts	0.0	1,846	1,846
3. K-12 Compensation Impacts	0.0	-8,019	-8,019
4. K-12 Inflation	0.0	-4,771	-4,771
5. Other Adjustments	0.0	-4,097	-4,097
6. Vocational Ed. Formula Restructure	0.0	255	255
7. K-12 Audit Resolution Team	0.0	-250	-250
Total Supplemental Items	0.0	-61,636	-61,636
1997-99 Revised Appropriations	0.0	6,879,248	6,879,248

*Comments:*

**1. Enrollment/Workload Changes** - Public school enrollment growth is lower than anticipated by 7,005 full-time equivalent students in the 1997-98 school year (from 943,019 to 936,014) and 8,625 in the 1998-99 school year (from 959,507 to 950,882). While this is less than a one percent change in the original forecast in both years, the cost reduction totals \$46.6 million for the biennium.

**2. Staff Ratio Impacts** - The budget contains class size reduction funds for grades K-3. For the 4th -12th grades, 46 certificated instructional staff per 1000 students are provided, (1 staff per 21.74 students). For grades K-3, a maximum of 54.3 certificated staff per 1000 students are provided, (1 staff per 18.42 students). However, districts only receive the additional K-3 funding to the extent they utilize the additional staff. The budget contains assumptions about how many districts will utilize the maximum staffing. Actual data indicates that more districts than assumed are using the maximum staffing thus requiring a supplemental budget of \$1.8 million.

**3. K-12 Compensation Impacts** - The formula for distribution of salary funds for certificated instructional staff in each district contains a "staff mix" factor. Staff mix refers to the education and experience of this staff, and the higher they are the more funds are provided. The budget contains assumptions about changes in the staff mix factor from year to year and it was assumed that staff mix would increase. Data submitted by school districts through January 1998 indicates that the increase in the staff mix factor is lower than assumed.

**4. K-12 Inflation** - Inflation adjustments are provided in the budget for K-12 basic education programs. The inflation forecast for FY 98 has changed from 2.1 percent to 1.6 percent and for FY 99 from 2.7 percent to 1.8 percent. Basic education budgets cannot be adjusted once school districts have set their budget, so no changes are made for the 1997-98 school year. A budget adjustment is made for the 1998-99 school year taking into account the lower inflation in the previous year and the coming year. These adjustments result in an inflation rate of 1.3 percent for the 1998-99 school year.

**5. Other Adjustments** - Certain school districts receive federal and state forest funds. These funds are treated as local deductible revenues which means that the state reduces state basic education funds in the amount of federal and state forest funds that districts receive. Receipts of these funds are greater than assumed in the original budget reducing the state general fund cost.

**1997-99 Revised Budget (1998 Supp)**  
**Public Schools**  
**General Apportionment**

**6. Vocational Ed. Formula Restructure** - The 1997 biennial budget allocated 1 certificated staff per 18.3 vocational students. That budget contained a proviso specifying that beginning in the 1998-99 school year, districts will receive funding at this ratio if they maintain such a ratio.

School districts will not be able to comply with budget conditions due to expenditure of staffing funds for contracted services, supplies and equipment. Normally, this type of expenditure is budgeted as a Non Employee Related Costs (NERC) allocation. The original budget provides \$15,344 for NERCs per certificated staff in the 1998-99 school year.

This supplemental budget changes the staffing ratio to 1 certificated staff per 19.5 students which is a reduction in the staffing ratio and increases the NERC from \$15,344 to \$19,775. Districts would still be required to maintain a ratio of 1 to 19.5 in order to receive funding for that ratio. The restructured formula gives districts greater flexibility in how they expend vocational education funds by shifting \$10.1 million from the salary side of the vocational funding formula to the NERC side. NERC funds may be also be expended for staffing costs. The formula change is budget neutral when taken together with an offsetting reduction of \$253,000 in the compensation adjustments section of the budget.

**7. K-12 Audit Resolution Team** - Funds are provided in the state auditor's section of the budget to create a K-12 Audit Team in the state auditors office. The purpose of the team is to provide sufficient information to the office of the superintendent of public instruction to enable recovery of funds whenever audit exceptions are found in regular audits and to conduct special audits when a more comprehensive audit of a district's program is indicated. It is expected that the operations of the audit team will generate savings of \$250,000 in this program.

In the budget section for the superintendent of public instruction the superintendent is directed to perform a study to establish a definition of and standards for skills centers and to make recommendations to the 1999 legislature. Pending receipt of the study, the budget contains a moratorium on new skills centers.

**1997-99 Revised Budget (1998 Supp)**  
**Public Schools**  
**Pupil Transportation**

Wednesday, Mar. 11, 1998  
7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	0.0	353,904	353,904
<b>1998 Supplemental Changes:</b>			
1. Enrollment/Workload Changes	0.0	1,251	1,251
2. K-12 Inflation	0.0	-548	-548
Total Supplemental Items	0.0	703	703
1997-99 Revised Appropriations	0.0	354,607	354,607

*Comments:*

**1. Enrollment/Workload Changes** - For the 1997-98 school year, reimbursable mileage is 34,578 miles higher than assumed in the original budget, from 4,056,689 miles to 4,091,267 miles. The increase is 24,721 miles higher for the 1998-99 school year.

**2. K-12 Inflation** - Inflation adjustments are provided in the budget for K-12 basic education programs. The inflation forecast for FY 98 has changed from 2.1 percent to 1.6 percent and for FY 99 from 2.7 percent to 1.8 percent. Basic education budgets cannot be adjusted once school districts have set their budget, so no changes are made for the 1997-98 school year. A budget adjustment is made for the 1998-99 school year taking into account the lower inflation in the previous year and the coming year. These adjustments result in an inflation rate of 1.3 percent for the 1998-99 school year.

**1997-99 Revised Budget (1998 Supp)**  
**Public Schools**  
**School Food Services**

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	0.0	6,150	265,190
<b>1998 Supplemental Changes:</b>			
1. Summer Food Service Program	0.0	25	25
Total Supplemental Items	0.0	25	25
1997-99 Revised Appropriations	0.0	6,175	265,215

*Comments:*

**1. Summer Food Service Program** - State funds are provided to address part of the loss of federal funds in the summer food service program for children in low-income areas.

**1997-99 Revised Budget (1998 Supp)**  
**Public Schools**  
**Special Education**

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	0.0	744,813	879,919
<b>1998 Supplemental Changes:</b>			
1. Enrollment/Workload Changes	0.0	6,011	6,011
2. K-12 Inflation	0.0	-482	-482
3. Other Adjustments	0.0	0	8,000
4. K-12 Audit Resolution Team	0.0	-250	-250
Total Supplemental Items	0.0	5,279	13,279
1997-99 Revised Appropriations	0.0	750,092	893,198

*Comments:*

**1. Enrollment/Workload Changes** - Enrollment in special education programs is higher than anticipated by 323 students in the 1997-98 school year (from 110,704 to 111,047) and an increase of 1,536 in the 1998-99 school year (from 111,698 to 113,234) increasing the cost of the program by \$6.0 million.

**2. K-12 Inflation** - Inflation adjustments are provided in the budget for K-12 basic education programs. The inflation forecast for FY 98 has changed from 2.1 percent to 1.6 percent and for FY 99 from 2.7 percent to 1.8 percent. Basic education budgets cannot be adjusted once school districts have set their budget, so no changes are made for the 1997-98 school year. A budget adjustment is made for the 1998-99 school year taking into account the lower inflation in the previous year and the coming year. These adjustments result in an inflation rate of 1.3 percent for the 1998-99 school year.

**3. Other Adjustments** - Reflects revised estimates of federal funding increases for special education.

**4. K-12 Audit Resolution Team** - Funds are provided in the state auditor's section of the budget to create a K-12 Audit Resolution Team in the state auditors office. The purpose of the team is to provide sufficient information to the office of the superintendent of public instruction to enable recovery of funds whenever audit exceptions are found in regular audits and to conduct special audits when a more comprehensive audit of a district's program is indicated. It is expected that the operations of the audit team will generate savings of \$250,000 in this program.



**1997-99 Revised Budget (1998 Supp)**  
**Public Schools**  
**Traffic Safety Education**

Wednesday, Mar. 11, 1998  
7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	0.0	0	17,179
<b>1998 Supplemental Changes:</b>			
1. Enrollment/Workload Changes	0.0	0	-296
Total Supplemental Items	0.0	0	-296
1997-99 Revised Appropriations	0.0	0	16,883

*Comments:*

**1. Enrollment/Workload Changes** - The number of students completing traffic safety education is lower than estimated in the 1997-98 school year.

**1997-99 Revised Budget (1998 Supp)**  
**Public Schools**  
**Levy Equalization**

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	0.0	173,952	173,952
<b>1998 Supplemental Changes:</b>			
1. Other Adjustments	0.0	-5,601	-5,601
Total Supplemental Items	0.0	-5,601	-5,601
1997-99 Revised Appropriations	0.0	168,351	168,351

*Comments:*

**1. Other Adjustments** - Fewer school districts than assumed in the 1997 budget successfully passed operating levies in 1998, resulting in a cost reduction of \$5.6 million in state funding this program.

**1997-99 Revised Budget (1998 Supp)**  
**Public Schools**  
**Institutional Education**

	FTEs	Conference GF-S	Total
1997-99 Original Appropriations	0.0	37,009	45,557
<b>1998 Supplemental Changes:</b>			
1. Enrollment/Workload Changes	0.0	-2,509	-2,509
2. K-12 Compensation Impacts	0.0	-196	-196
3. K-12 Inflation	0.0	-7	-7
4. Educate Juveniles in Adult Prisons#	0.0	1,196	1,196
Total Supplemental Items	0.0	-1,516	-1,516
1997-99 Revised Appropriations	0.0	35,493	44,041

*Comments:*

**1. Enrollment/Workload Changes** - Enrollment in institutions is lower than anticipated in the original budget reducing costs by \$2.5 million.

**2. K-12 Compensation Impacts** - Actual 1997-98 salaries in institutions are lower than anticipated in the original budget.

**3. K-12 Inflation** - Inflation adjustments are provided in the budget for K-12 basic education programs. The inflation forecast for FY 98 has changed from 2.1 percent to 1.6 percent and for FY 99 from 2.7 percent to 1.8 percent. Basic education budgets cannot be adjusted once school districts have set their budget, so no changes are made for the 1997-98 school year. A budget adjustment is made for the 1998-99 school year taking into account the lower inflation in the previous year and the coming year. These adjustments result in an inflation rate of 1.3 percent for the 1998-99 school year.

**4. Educate Juveniles in Adult Prisons#** - New sentencing laws result in more juveniles incarcerated in adult correctional facilities. The Juvenile Justice Act of 1997 assigned responsibility and funding for educating these juveniles to the Department of Corrections (DOC). The budget provides funds to implement Engrossed Substitute Senate Bill 6600 which transfers responsibility for provision of the educational services for juveniles under age 18 in adult correctional facilities to the K-12 system beginning in the 1998-99 school year. This is accomplished through a funding formula similar to that currently used to serve juveniles in detention centers and other state institutions. The appropriation to the DOC is reduced in fiscal year 1999 to reflect this re-assignment.

**1997-99 Revised Budget (1998 Supp)**  
**Public Schools**  
**Ed of Highly Capable Students**

Wednesday, Mar. 11, 1998  
7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	0.0	11,928	11,928
<b>1998 Supplemental Changes:</b>			
1. Enrollment/Workload Changes	0.0	-106	-106
Total Supplemental Items	0.0	-106	-106
1997-99 Revised Appropriations	0.0	11,822	11,822

*Comments:*

**1. Enrollment/Workload Changes** - Funding for the highly capable program is provided for up to 2.0 percent of each district's K-12 enrollment. Since enrollment is lower than anticipated \$106,000 less is needed to fund the program.

## 1997-99 Revised Budget (1998 Supp)

Wednesday, Mar. 11, 1998  
7:07 pm

### Public Schools Education Reform

	FTEs	Conference GF-S	Total
1997-99 Original Appropriations	27.1	40,773	41,006
<b>1998 Supplemental Changes:</b>			
1. CSL Assessments Development	0.0	-950	-950
2. Leadership Internship Program	0.0	799	799
Total Supplemental Items	0.0	-151	-151
1997-99 Revised Appropriations	27.1	40,622	40,855

*Comments:*

**1. CSL Assessments Development** - By statute the Commission on Student learning is required to complete various assessment according to specified timelines. As requested by the Commission on Student Learning, the budget assumes a delay of one year in the due date of the high school science assessments. This means that \$950,000 of the funds allocated to the commission for development of the test will not be needed this biennium but will be needed next biennium.

**2. Leadership Internship Program** - The superintendent/principal intership program was created beginning in the 1994-95 school year. The purpose of the program was to provide funds for partial release time for district employees participating in internship programs. Funding for the program was discontinued in the 1997-99 budget and the funds placed in the block grant program. The 1998 supplemental budget provides \$799,000 for a leadership intership program that is similar to the 1994 superintendent/principal intership program and the funds are transferred from the block grant program.

**1997-99 Revised Budget (1998 Supp)**  
**Public Schools**  
**Transitional Bilingual Instruction**

Wednesday, Mar. 11, 1998  
7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	0.0	64,560	64,560
<b>1998 Supplemental Changes:</b>			
1. Enrollment/Workload Changes	0.0	-1,664	-1,664
Total Supplemental Items	0.0	-1,664	-1,664
1997-99 Revised Appropriations	0.0	62,896	62,896

*Comments:*

**1. Enrollment/Workload Changes** - New bilingual enrollment forecasts are lower than anticipated reducing the cost of the program by \$1.7 million. Enrollment for 1997-98 is reduced from 48,940 to 48,102 students. For 1998-99 enrollment is reduced from 52,646 to 50,466.

**1997-99 Revised Budget (1998 Supp)**  
**Public Schools**  
**Learning Assistance Program (LAP)**

Wednesday, Mar. 11, 1998  
7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	0.0	121,171	121,171
<b>1998 Supplemental Changes:</b>			
1. Enrollment/Workload Changes	0.0	129	129
2. K-12 Inflation	0.0	-76	-76
Total Supplemental Items	0.0	53	53
1997-99 Revised Appropriations	0.0	121,224	121,224

*Comments:*

**1. Enrollment/Workload Changes** - The Learning Assistance Program provides funds to school districts based on the proportion of low-achieving students in each district. K-12 enrollment is lower than anticipated, however, the number of students scoring in the lowest quartile is slightly higher than anticipated resulting in a net increase of \$129,000 in this program.

**2. K-12 Inflation** - Inflation adjustments are provided in the budget for K-12 basic education programs. The inflation forecast for FY 98 has changed from 2.1 percent to 1.6 percent and for FY 99 from 2.7 percent to 1.8 percent. Basic education budgets cannot be adjusted once school districts have set their budget, so no changes are made for the 1997-98 school year. A budget adjustment is made for the 1998-99 school year taking into account the lower inflation in the previous year and the coming year. These adjustments result in an inflation rate of 1.3 percent for the 1998-99 school year.

## 1997-99 Revised Budget (1998 Supp)

Wednesday, Mar. 11, 1998  
7:07 pm

### Public Schools Block Grants

	FTEs	Conference GF-S	Total
1997-99 Original Appropriations	0.0	106,777	106,777
<b>1998 Supplemental Changes:</b>			
1. Enrollment/Workload Changes	0.0	-826	-826
2. Leadership Internship Program	0.0	-799	-799
Total Supplemental Items	0.0	-1,625	-1,625
1997-99 Revised Appropriations	0.0	105,152	105,152

*Comments:*

**1. Enrollment/Workload Changes** - This program contains the block grant program and the student learning incentive grant program. Block grant funds and student learning incentive grants are allocated based on enrollment. Since enrollment is lower than anticipated the cost of this program is reduced by \$827,000.

**2. Leadership Internship Program** - The superintendent/principal intership program was created beginning in the 1994-95 school year. The purpose of the program was to provide funds for partial release time for district employees participating in internship programs. Funding for the program was discontinued in the 1997-99 budget and the funds were placed in the block grant program. The 1998 supplemental budget provides \$799,000 for a leadership intership program that is similar to the 1994 superintendent/principal intership program and the funds are transferred from the block grant program to the education reform program. Accordingly, the rate per student is reduced from \$29.86 to \$28.81 for the 1998-99 school year.



**1997-99 Revised Budget (1998 Supp)**  
**Public Schools**  
**Compensation Adjustments**

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	0.0	196,276	196,276
<b>1998 Supplemental Changes:</b>			
1. Enrollment/Workload Changes	0.0	-1,510	-1,510
2. Staff Ratio Impacts	0.0	48	48
3. Educate Juveniles in Adult Prisons#	0.0	38	38
4. Vocational Ed. Formula Restructure	0.0	-253	-253
Total Supplemental Items	0.0	-1,677	-1,677
1997-99 Revised Appropriations	0.0	194,599	194,599

*Comments:*

**1. Enrollment/Workload Changes** - The 1997 Legislature granted a three percent salary increase for all education staff. Since enrollment is lower than anticipated, there are fewer teachers and other staff funded by the state. Therefore, the cost of the salary increase is lower by \$1.5 million.

**2. Staff Ratio Impacts** - Because more kindergarten through third grade teachers are being hired by districts to reduce class size in the earliest grades, there are more teachers eligible for the three percent salary increase granted by the 1997 Legislature. This increases salary increase and health benefit increase costs by \$48,000.

**3. Educate Juveniles in Adult Prisons#** - The three percent salary increase granted by the 1997 Legislature is also applied to the additional teachers who will be hired to accommodate the new enrollments for juveniles in adult prison.

**4. Vocational Ed. Formula Restructure** - As referenced in the apportionment program of the budget, the vocational education formula is being restructured allocating more funds for non employee related costs (NERC) and less staffing funds. This reduces the salary base and thus requires less salary increase funds in the 1998-99 school year.

**1997-99 Revised Budget (1998 Supp)**  
**Higher Education Coordinating Board**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	57.8	190,927	203,581
<b>1998 Supplemental Changes:</b>			
1. Retiree Lawsuit Settlement	0.0	3	3
2. Life Insurance Settlement	0.0	1	1
3. Pre-Paid Tuition Program	4.1	1,260	2,458
4. Federal grants	0.0	0	23
5. Federal and Local Grants	0.0	0	12
6. Higher Ed Spokane Institutions	0.0	250	250
7. Cooperative Library Project	0.0	810	810
Total Supplemental Items	4.1	2,324	3,557
1997-99 Revised Appropriations	61.9	193,251	207,138

*Comments:*

**1. Retiree Lawsuit Settlement** - Claims resulting from the settlement in Retired State Employees v. State of Washington will be paid from reserves in the Health Care Authority's non-appropriated Public Employees' and Retirees' Insurance Account. Funding is provided to begin rebuilding the reserves.

**2. Life Insurance Settlement** - Life insurance benefits will be increased from \$5,000 to \$15,000 beginning January 1999, in accordance with the settlement in Burbage v. Washington State.

**3. Pre-Paid Tuition Program** - A one-time appropriation is provided for program start-up funding. Total funding required for the 1997-99 biennium start-up costs is \$1,610,000. Supplemental funding of \$1,260,000 is in addition to the current \$350,000 appropriation. It is anticipated that funds from application fees and interest earnings will be available to repay the General Fund-State in the 1999 supplemental budget.

**4. Federal grants** - Federal carryforward funding is provided for the National Early Intervention Scholarship and Partnership Program.

**5. Federal and Local Grants** - Federal funding is provided for Veterans program approval and supervision and carryforward funding for the competency-based admissions standards program. Carryforward funding is provided by the Education Commission of the States for the State Policy and College Learning project.

**6. Higher Ed Spokane Institutions** - Pursuant to SSB 6655, one-time funding is provided to conduct studies in Spokane concerning the level of higher education services; quantity, completeness, and affordability of educational offerings; economic and social context of higher education resources; and, higher education management and governance.

**7. Cooperative Library Project** - Funds are provided to complete the interlibrary connectivity for the 4 year public institutions. Funding for earlier phases of this project was provided in 1995 and 1996. The HECB will transfer the funds to complete the system to the University of Washington. \$250,000 of the appropriation is a one-time allocation for equipment. A portion of the ongoing funds will be used the acquisition of shared electronic journals.

**1997-99 Revised Budget (1998 Supp)**  
**University of Washington**

Wednesday, Mar. 11, 1998  
7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	16,636.7	573,730	2,455,663
<b>1998 Supplemental Changes:</b>			
1. Retiree Lawsuit Settlement	0.0	397	397
2. Life Insurance Settlement	0.0	74	74
3. Space for New Enrollment in Bothell	0.0	150	150
4. DO-IT Program	3.3	560	560
5. State Toxicology Laboratory	0.8	0	352
6. Internet2/Next Generation Internet	2.5	3,000	3,000
Total Supplemental Items	6.5	4,181	4,533
1997-99 Revised Appropriations	16,643.2	577,911	2,460,196

*Comments:*

**1. Retiree Lawsuit Settlement** - Claims resulting from the settlement in Retired State Employees v. State of Washington will be paid from reserves in the Health Care Authority's non-appropriated Public Employees' and Retirees' Insurance Account. Funding is provided to begin rebuilding the reserves.

**2. Life Insurance Settlement** - Life insurance benefits will be increased from \$5,000 to \$15,000 beginning January 1999, in accordance with the settlement in Burbage v. Washington State.

**3. Space for New Enrollment in Bothell** - One-time funding is provided for tenant improvements to additional leased space to accommodate FY99 enrollment.

**4. DO-IT Program** - New state funds continue the Disabilities, Opportunities, Internetworking and Technology Program (DO IT) as National Science Foundation funds expire. In accordance with the change in funding, the focus of program will switch from serving a nationwide population to Washington students exclusively. The DO IT program recruits high school students with disabilities and an aptitude in science, engineering, mathematics, or technology for college training and eventual careers in those fields.

**5. State Toxicology Laboratory** - Additional funds for staff and equipment for the state toxicology laboratory support implementation of quality control procedures and laboratory certification, enhanced screening of sexual assault victims for evidence of chemical incapacitation, blood alcohol and volatile intoxicants analysis, and blood tests for marijuana in driving cases. (Death Investigations Account)

**6. Internet2/Next Generation Internet** - Resources for staff and equipment permit the University to connect to the very high performance Backbone Network Service (vBNS) initiated and partially funded by the National Science Foundation. Connection to the vBNS will allow the University, and therefore the state, to directly participate in the research and application of the next generation of telecommunications technologies. Application of those new technologies will provide the networking performance necessary to deliver education at a distance, such as multimedia instruction on desktop personal computers, and also provide significant commercial opportunities for the state's software and computing industries. \$2.5 million of the amount provided represents a one-time investment in equipment.

**1997-99 Revised Budget (1998 Supp)**  
**Washington State University**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	5,388.5	339,463	737,578
<b>1998 Supplemental Changes:</b>			
1. Retiree Lawsuit Settlement	0.0	228	228
2. Life Insurance Settlement	0.0	43	43
3. Enrollment Adjustment	-25.5	-2,655	-4,196
4. Construction Claim Costs	0.0	3,250	3,250
5. Transfer Riverpoint from JCHE	4.5	590	932
6. Aquatic Animal Health	0.9	100	100
Total Supplemental Items	-20.2	1,556	357
1997-99 Revised Appropriations	5,368.3	341,019	737,935

*Comments:*

**1. Retiree Lawsuit Settlement** - Claims resulting from the settlement in Retired State Employees v. State of Washington will be paid from reserves in the Health Care Authority's non-appropriated Public Employees' and Retirees' Insurance Account. Funding is provided to begin rebuilding the reserves.

**2. Life Insurance Settlement** - Life insurance benefits will be increased from \$5,000 to \$15,000 beginning January 1999, in accordance with the settlement in Burbage v. Washington State.

**3. Enrollment Adjustment** - Budgeted net new FTE student enrollments at the Pullman and Tri Cities campuses for Fiscal Year 1999 are postponed to more accurately fund enrollment projections for the 1998-99 academic year. (General Fund-State and Institutional Operating Fees Account-Nonappropriated)

**4. Construction Claim Costs** - Funding is provided on a one-time basis to pay for the costs of litigation, negotiation and settlement costs associated with the Vancouver branch campus and Veterinary Teaching Hospital capital projects. In addition to this appropriation, \$3 million is provided in the capital budget for settlement costs of the Veterinary Teaching Hospital. WSU will cooperate with OFM and other state agencies to develop a plan to improve management of capital projects and claims avoidance and report back to the Legislature with improved policies and procedures.

**5. Transfer Riverpoint from JCHE** - Funds are transferred from the Joint Center for Higher Education, Spokane, per SSB 6655. These funds allow WSU to manage the Riverpoint campus.

**6. Aquatic Animal Health** - Funds are provided for additional unanticipated workload increases.

**1997-99 Revised Budget (1998 Supp)**  
**Eastern Washington University**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	1,149.6	78,700	143,193
<b>1998 Supplemental Changes:</b>			
1. Retiree Lawsuit Settlement	0.0	62	62
2. Life Insurance Settlement	0.0	12	12
Total Supplemental Items	0.0	74	74
1997-99 Revised Appropriations	1,149.6	78,774	143,267

*Comments:*

**1. Retiree Lawsuit Settlement** - Claims resulting from the settlement in Retired State Employees v. State of Washington will be paid from reserves in the Health Care Authority's non-appropriated Public Employees' and Retirees' Insurance Account. Funding is provided to begin rebuilding the reserves.

**2. Life Insurance Settlement** - Life insurance benefits will be increased from \$5,000 to \$15,000 beginning January 1999, in accordance with the settlement in Burbage v. Washington State.

**1997-99 Revised Budget (1998 Supp)**  
**Central Washington University**

Wednesday, Mar. 11, 1998  
7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	1,004.4	75,830	140,259
<b>1998 Supplemental Changes:</b>			
1. Retiree Lawsuit Settlement	0.0	62	62
2. Life Insurance Settlement	0.0	11	11
3. Fire Protection Contract	0.0	90	90
Total Supplemental Items	0.0	163	163
1997-99 Revised Appropriations	1,004.4	75,993	140,422

*Comments:*

**1. Retiree Lawsuit Settlement** - Claims resulting from the settlement in Retired State Employees v. State of Washington will be paid from reserves in the Health Care Authority's non-appropriated Public Employees' and Retirees' Insurance Account. Funding is provided to begin rebuilding the reserves.

**2. Life Insurance Settlement** - Life insurance benefits will be increased from \$5,000 to \$15,000 beginning January 1999, in accordance with the settlement in Burbage v. Washington State.

**3. Fire Protection Contract** - Funding is provided for the 1997-99 Biennium fire protection contract cost increase with the City of Ellensburg Fire Department beginning in January, 1998.

**1997-99 Revised Budget (1998 Supp)**  
**The Evergreen State College**

Wednesday, Mar. 11, 1998  
7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	612.2	40,669	72,299
<b>1998 Supplemental Changes:</b>			
1. Retiree Lawsuit Settlement	0.0	36	36
2. Life Insurance Settlement	0.0	7	7
3. Space Modifications	0.0	250	250
4. WSIPP Financial Aid Followup	0.0	35	35
Total Supplemental Items	0.0	328	328
1997-99 Revised Appropriations	612.2	40,997	72,627

*Comments:*

**1. Retiree Lawsuit Settlement** - Claims resulting from the settlement in Retired State Employees v. State of Washington will be paid from reserves in the Health Care Authority's non-appropriated Public Employees' and Retirees' Insurance Account. Funding is provided to begin rebuilding the reserves.

**2. Life Insurance Settlement** - Life insurance benefits will be increased from \$5,000 to \$15,000 beginning January 1999, in accordance with the settlement in Burbage v. Washington State.

**3. Space Modifications** - One-time funding is provided for space modifications necessary to accommodate budgeted enrollment increases.

**4. WSIPP Financial Aid Followup** - Funds are provided to the Washington Institute for Public Policy for additional financial aid research into student employment and resources.

**1997-99 Revised Budget (1998 Supp)**  
**Joint Center for Higher Education**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	39.4	2,939	12,206
<b>1998 Supplemental Changes:</b>			
1. Transfer funding to SIRTII and WSU	-19.7	-1,470	-6,105
Total Supplemental Items	-19.7	-1,470	-6,105
1997-99 Revised Appropriations	19.7	1,469	6,101

*Comments:*

**1. Transfer funding to SIRTII and WSU** - Funding for the management of the Riverpoint education campus in Spokane is transferred to WSU per SSB 6655. Funding for the Spokane Intercollegiate Research and Technology Institute (SIRTII) is transferred to SIRTII which is established as a separate agency per SSB 6655.



**1997-99 Revised Budget (1998 Supp)**  
**Western Washington University**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	1,397.0	96,677	190,224
<b>1998 Supplemental Changes:</b>			
1. Retiree Lawsuit Settlement	0.0	81	81
2. Life Insurance Settlement	0.0	15	15
Total Supplemental Items	0.0	96	96
1997-99 Revised Appropriations	1,397.0	96,773	190,320

*Comments:*

**1. Retiree Lawsuit Settlement** - Claims resulting from the settlement in Retired State Employees v. State of Washington will be paid from reserves in the Health Care Authority's non-appropriated Public Employees' and Retirees' Insurance Account. Funding is provided to begin rebuilding the reserves.

**2. Life Insurance Settlement** - Life insurance benefits will be increased from \$5,000 to \$15,000 beginning January 1999, in accordance with the settlement in Burbage v. Washington State.

**1997-99 Revised Budget (1998 Supp)**  
**Community/Technical College System**

Wednesday, Mar. 11, 1998  
7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	12,147.3	803,852	1,337,355
<b>1998 Supplemental Changes:</b>			
1. Retiree Lawsuit Settlement	0.0	669	669
2. Life Insurance Settlement	0.0	125	125
3. Auditor & Risk Management Billing	0.0	214	214
4. Work Force Training Enrollment	0.0	-2,768	0
5. Technology Equipment Matching Funds	0.0	700	700
6. Cascadia Community College Delay	0.0	-700	-700
Total Supplemental Items	0.0	-1,760	1,008
1997-99 Revised Appropriations	12,147.3	802,092	1,338,363

*Comments:*

**1. Retiree Lawsuit Settlement** - Claims resulting from the settlement in Retired State Employees v. State of Washington will be paid from reserves in the Health Care Authority's non-appropriated Public Employees' and Retirees' Insurance Account. Funding is provided to begin rebuilding the reserves.

**2. Life Insurance Settlement** - Life insurance benefits will be increased from \$5,000 to \$15,000 beginning January 1999, in accordance with the settlement in Burbage v. Washington State.

**3. Auditor & Risk Management Billing** - Additional resources support increased State Auditor and risk management costs over the course of the biennium.

**4. Work Force Training Enrollment** - Fund balance available in the Employment and Training Trust Fund is substituted for General Fund-State for the current level of budgeted FTEs.

**5. Technology Equipment Matching Funds** - One-time funding is provided for a technology equipment matching program. Each college district will match this funding with an equal amount of cash donations from private sources.

**6. Cascadia Community College Delay** - Funding for startup equipment and library materials were provided for the new Cascadia Community College District for the 1997-99 biennium. A portion of these items will not be needed until the 1999-01 biennium. Funding will be restored as needed in the future.

**1997-99 Revised Budget (1998 Supp)**  
**Spokane Intercoll Rsch & Tech Inst**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	0.0	0	0
<b>1998 Supplemental Changes:</b>			
1. Transfer funding from JCHE	12.2	0	3,771
Total Supplemental Items	12.2	0	3,771
1997-99 Revised Appropriations	12.2	0	3,771

*Comments:*

**1. Transfer funding from JCHE -** Funds are transferred from the Joint Center of Higher Education for the operation of the Spokane Intercollegiate Research and Technology Institute per SSB 6655. The funds shown in this budget reflect the research and grant funds related to the programmatic mission. General fund resources for administration are provided through the Department of Community Trade and Economic Development.

**1997-99 Revised Budget (1998 Supp)**  
**State School for the Blind**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	72.3	7,452	7,644
<b>1998 Supplemental Changes:</b>			
1. Audit Services	0.0	18	18
2. Outreach Services Program	1.9	0	226
Total Supplemental Items	1.9	18	244
1997-99 Revised Appropriations	74.2	7,470	7,888

*Comments:*

**1. Audit Services** - Funding is provided for audit services. This item corrects funding that was not included in the 1997-99 biennial budget.

**2. Outreach Services Program** - Local funding is increased to provide educational services to blind and visually impaired children in school districts throughout the state. This program is supported by revenue from contracted services with school districts. (General Fund-Private/Local)

**1997-99 Revised Budget (1998 Supp)**  
**State School for the Deaf**Wednesday, Mar. 11, 1998  
7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	129.0	12,917	12,917
<b>1998 Supplemental Changes:</b>			
1. Audit Services	0.0	18	18
Total Supplemental Items	0.0	18	18
1997-99 Revised Appropriations	129.0	12,935	12,935

*Comments:*

**1. Audit Services** - Funding is provided for auditing services. This item corrects funding that was not included in the 1997-99 biennial budget.

# 1997-99 Revised Budget (1998 Supp)

## State Library

Wednesday, Mar. 11, 1998  
7:07 pm

	FTEs	Conference GF-S	Total
1997-99 Original Appropriations	132.1	14,764	19,611
<b>1998 Supplemental Changes:</b>			
1. Government Info Locator Service	1.5	200	200
2. Technical Corrections	0.0	100	2,070
3. Collection Enhancement	0.0	100	100
Total Supplemental Items	1.5	400	2,370
1997-99 Revised Appropriations	133.6	15,164	21,981

### Comments:

**1. Government Info Locator Service** - Funding is provided to continue the Government Information Locator Service project in fiscal year 1999. The project facilitates electronic public access to government information by arranging it in standard ways so that the public need not know the structure of government to locate needed information.

**2. Technical Corrections** - Additional state funding is provided for a technical adjustment to the capital facilities surcharge. Federal spending authority is provided due to an anticipated increase in federal revenue. (General Fund-State, General Fund-Federal)

**3. Collection Enhancement** - One-time funding is provided for the State Library's collection.

**1997-99 Revised Budget (1998 Supp)**  
**Washington State Historical Society**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	53.6	5,033	6,487
<b>1998 Supplemental Changes:</b>			
1. Off Site Relocation	0.0	320	320
2. Lewis and Clark Bicentennial	0.0	50	50
Total Supplemental Items	0.0	370	370
1997-99 Revised Appropriations	53.6	5,403	6,857

*Comments:*

**1. Off Site Relocation** - One-time funding is provided for a temporary relocation of Research Center operations made necessary by the Center's seismic and infrastructure renovation project, which was funded in the 1997-99 Biennial capital budget.

**2. Lewis and Clark Bicentennial** - Funding is provided for planning, coordination and development of programs to commemorate the 200th anniversary of Lewis and Clark's journey to the Northwest. The bicentennial will be recognized by trail states between 2003-2007. The commemoration will require national and regional planning.

**1997-99 Revised Budget (1998 Supp)**  
**Bond Retirement and Interest**

Wednesday, Mar. 11, 1998  
7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	0.0	982,009	1,140,689
<b>1998 Supplemental Changes:</b>			
1. Debt Service Update	0.0	129	129
2. Underwriters Discount	0.0	0	1,549
3. Technical Correction	0.0	0	1,862
Total Supplemental Items	0.0	129	3,540
1997-99 Revised Appropriations	0.0	982,138	1,144,229

*Comments:*

**1. Debt Service Update** - The appropriations for debt service are updated to reflect the debt service cost on sales that have occurred since April 1997 and more recent interest rate estimates for future sales during the 1997-99 Biennium. (General Fund-State, Highway Bond Retirement Account-State, Ferry Bond Retirement Account-State)

**2. Underwriters Discount** - The government accounting standard practice for reporting the underwriter's discount on a bond sale was revised in July 1997. Previously recorded as a reduction to revenue, the underwriter's discount is now recorded as a debt service expense. This change requires an appropriation for the discount in the debt service funds. (State Building Construction Account, Public Safety Reimbursable Bond Account, Higher Education Construction Account)

**3. Technical Correction** - In the 1997 initiative to simplify debt service funds, the debt service for the Natural Resources Building was inadvertently omitted from the budget bill. This action corrects that omission by providing appropriation authority to pay the debt service obligation on that facility. (Debt-Limit Reimbursable Bond Retirement Account)



**1997-99 Revised Budget (1998 Supp)**  
**Special Approps to the Governor**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	0.0	15,424	43,119
<b>1998 Supplemental Changes:</b>			
1. Remove Year 2000 GF-S Appropriation	0.0	-5,340	-6,327
2. Year 2000 Contingency Pool	0.0	5,000	10,000
3. Year 2000 Conversion	0.0	266	5,212
4. Local Criminal Justice Funding	0.0	0	1,200
5. Appropriation to the Trans. Fund	0.0	12,650	12,650
6. Community College Capital Projects	0.0	5,200	5,200
7. Governor Veto - Regulatory Reform	0.0	-3,370	-7,039
Total Supplemental Items	0.0	14,406	20,896
1997-99 Revised Appropriations	0.0	29,830	64,015

*Comments:*

**1. Remove Year 2000 GF-S Appropriation** - The Governor's veto of Section 702, Chapter 454, Laws of 1997, created duplicate General Fund-State (GF-S) appropriations for Year 2000 computer maintenance projects. This reduction reflects the technical adjustment to eliminate the duplication. Also, the Employment Security Department received unanticipated federal funds for Year 2000 conversion activities which allows a reduction to their original appropriation.

**2. Year 2000 Contingency Pool** - Funding is provided for resource needs identified in phase 2 of the risk assessment report and ongoing contingencies to avoid the disruption of vital public services and to maintain accountability for state resources. (General Fund-State, Year 2000 Contingency Revolving Account)

**3. Year 2000 Conversion** - Additional funding is provided for the Department of Retirement Systems, Department of Licensing, Department of Revenue, Employment Security Department, Department of Health, and the Health Care Authority to address resource shortfalls identified for Year 2000 conversion projects. (General Fund-State, various other accounts)

**4. Local Criminal Justice Funding** - Funding is provided to local governments for the costs of implementing drunk driving legislation. Funds will be distributed to local governments through the Municipal Criminal Justice Assistance Account and County Criminal Justice Assistance Account. (Impaired Driving Safety Account)

**5. Appropriation to the Trans. Fund** - This is a one-time appropriation from the General Fund to the Transportation Fund.

**6. Community College Capital Projects** - Funds are provided for deposit in the Community and Technical Colleges Capital Project Account.

**1997-99 Revised Budget (1998 Supp)**  
**Sundry Claims**

Wednesday, Mar. 11, 1998  
 7:07 pm

	<b>FTEs</b>	<b>Conference GF-S</b>	<b>Total</b>
1997-99 Original Appropriations	0.0	0	0
<b>1998 Supplemental Changes:</b>			
1. Self-Defense Claims	0.0	193	193
2. Deer and Elk Damage Claims	0.0	0	3
Total Supplemental Items	0.0	193	196
1997-99 Revised Appropriations	0.0	193	196

*Comments:*

**1. Self-Defense Claims** - On the recommendation of the Division of Risk Management, payment is provided under RCW 9A.16.110 for claims for reimbursement of legal costs and other expenses of criminal defendants acquitted on the basis of self-defense.

**2. Deer and Elk Damage Claims** - On the recommendation of the Division of Risk Management, payment is provided under RCW 77.12.280 for claims for damages to agricultural crops by wildlife. (State Wildlife Account)

# 1997-99 Revised Budget (1998 Supp)

## State Employee Compensation Adjust

	FTEs	Conference GF-S	Total
1997-99 Original Appropriations	0.0	86,963	170,623
<b>1998 Supplemental Changes:</b>			
1. Retiree Lawsuit-Pension Funding Acc	0.0	0	25,000
2. Retiree Lawsuit Settlement	0.0	1,768	3,775
3. Life Insurance Settlement	0.0	330	704
Total Supplemental Items	0.0	2,098	29,479
1997-99 Revised Appropriations	0.0	89,061	200,102

*Comments:*

**1. Retiree Lawsuit-Pension Funding Acc** - The \$25 million in the Pension Funding Account is transferred to the Public Employees' and Retirees' Insurance Account to be used by the Health Care Authority to pay claims resulting from the settlement in Retired State Employees et al. State of Washington. (Pension Funding Account)

**2. Retiree Lawsuit Settlement** - Claims resulting from the settlement in Retired State Employees v. State of Washington will be paid from reserves in the Health Care Authority's non-appropriated Public Employees' and Retirees' Insurance Account. Funding is provided to begin rebuilding the reserves. Additional funding for this item is provided in the higher education institutions' appropriations. (General Fund-State, General Fund-Federal, General Fund-Local and Salary and Insurance Increase Revolving Account)

**3. Life Insurance Settlement** - Life insurance benefits will be increased from \$5,000 to \$15,000 beginning January 1999, in accordance with the settlement in Burbage v. Washington State. Additional funding for this item is provided in the higher education institutions' appropriations. (General Fund-State, General Fund-Federal, General Fund-Local and Salary and Insurance Increase Revolving Account)